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Table with exchange rates for various currencies including the Dollar, Pound, and others.



Royal photographer Lord Snowdon took this photo of Lady Diana embracing her future husband.



Prince Charles, right, ushers Lady Diana Spencer into a car in Tidworth, England, after she left his polo game in tears after she became upset when confronted with a barrage of cameramen.

Diana Watches Prince Play Polo While Sightseers Clog London

By R.W. Apple... LONDON — Prince Charles... Diana... polo... London... sightseers...

Frail Pact In Mideast Shaken by Warnings

By William Claiborne... JERUSALEM — The commander of the Israeli-supported Christian militia in southern Lebanon...

Case-Fire Spurred... The Libyan-backed Popular Front for the Liberation of Palestine...



With posters reading "Reforms Yes, Price Increases No" and "Autonomy Means Food, We Want Bread," demonstrators marched through rain in the central Poland city of Kutno.

Solidarity Asks Talks on Plans For Price Rise

WARSAW — The Solidarity independent trade union said Sunday that it could not accept food price increases...

Discussion Demanded... Solidarity's resolution said the price increases must also be part of an overall economic reform...

Casey Said to Receive \$10,000 Gift in '76

WASHINGTON — Friends and supporters of CIA director William J. Casey have rallied to his support against calls for his resignation...

Senate Investigation... The Senate Intelligence Committee is investigating Mr. Casey's past financial practices...

INSIDE Iranian Elections

Iran's state radio signals the election of Premier Mohammed Ali Rajai as the country's new president...

Rugby Ruckus

The New Zealand government postponed until Tuesday a decision on whether to call off the South African rugby tour...

Crowning Glories Are Fewer Now for Royalty

By John Vinocur... MADRID — The yearly maintenance charges on Queen Elizabeth's yacht cost the British people more than the entire 1981 budget for the Casa Real...

Royal Wedding Not for Birds

LONDON — A flying gatecrasher for the royal wedding has been evicted from St. Paul's Cathedral...

Europe's Unions Face New Task As Problems Mirror Industries'

LABOR UNDER SIEGE... The International Herald Tribune today begins a three-part series on some of the major problems facing the West European labor movement...

Reagan Team Weighs Next Step After Habib's Shuttle Success

By Don Oberdorfer
Washington Post Service

WASHINGTON — The U.S. diplomat who stilled the shooting between Israel and the Palestine Liberation Organization, Philip C. Habib, left Paris for Washington on Sunday as the Reagan administration pondered its next steps in the Middle East.

Mr. Habib will meet President Reagan and Secretary of State Alexander M. Haig Jr. on Monday to discuss his future involvement in the Middle East mediation, according to official sources. Monday's talks are described as first steps in a broader policy-making process, likely to last several months, regarding that dangerous and strategic region.

The 61-year-old Mr. Habib, who retired from the Foreign Service in 1978 after a series of heart attacks, is reported to be ready to return to private life after the intensive shuffling and maneuvering of the last

three months. Whether Mr. Reagan and Mr. Haig are prepared for him to do that is not clear.

Mr. Habib called the gruff and tenacious Mr. Haig out of retirement in early May to undertake the "long shot" task, as it seemed then, of averting an outbreak of

NEWS ANALYSIS

war between Israel and Syria over the placement of Syrian anti-aircraft missiles in northern Lebanon.

By early July, Mr. Habib appeared to be close to success in his initial mission, which encompassed complicated negotiations involving Israel, Syria, Lebanon, Saudi Arabia and several Lebanese Christian and Moslem groups. On July 10, however, Israel launched bombing raids against the PLO, starting a new and separate crisis, including heavy Palestinian shelling of Israeli towns and an Israeli

bombing raid against central Beirut that killed 300 civilians by government count.

According to State Department officials, the militant and often unpredictable PLO, though only marginally involved, took a cooperative attitude toward the earlier phase of the Habib mission, exercising restraint in the face of occasional Israeli strikes while Mr. Habib sought to solve the missile crisis.

Unless a cease-fire in the new fighting could be obtained, Mr. Habib reportedly concluded, his usefulness in preventing a wider war on any of the Mideast fronts would be at an end.

The cease-fire, officially termed a "cessation of hostilities" in Jerusalem and Washington, provides a pause that permits all the major players to consider the next act. Through Mr. Habib, Washington played a central role in these multiple and largely unexpected Lebanon-related crises of past weeks, and it is to Washington that the Middle East parties will look for new direction.

Stronger Role

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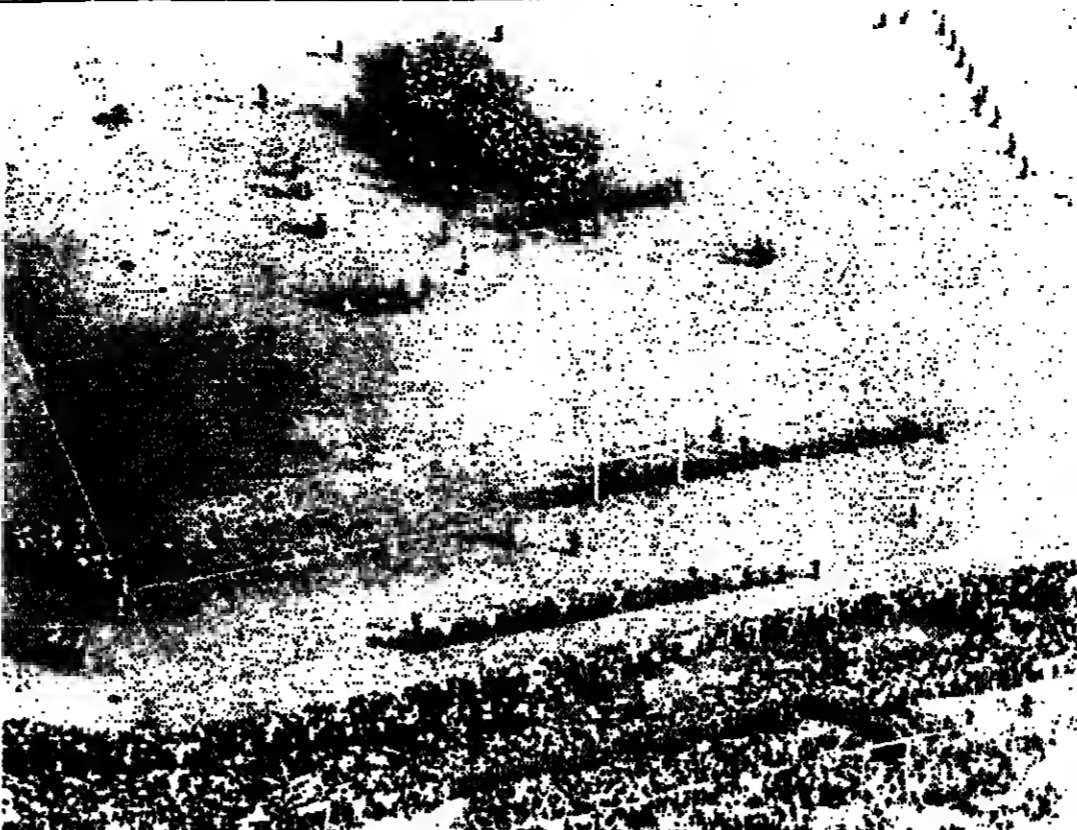
The sketchy Middle East policies Mr. Haig took to the area in April centered on two ideas: the strong desire to create an anti-Soviet "strategic consensus" from the ranks of the diverse Mideast partners of the United States, and a less-developed resolve to continue the Arab-Israeli peace process inherited from the Carter administration.

In coming weeks, a series of visits to Washington as well as the continuing tension in the region will confront the Reagan administration with the need to make important choices.

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Delayed Request

Israeli Prime Minister Menachem Begin is due in Washington Sept. 9-10, just about the time that Congress returns from its late summer recess and official Washington returns to full-scale activity again. Mr. Begin, whose relations with the administration have been shaken in the recent Lebanese crises, will be looking for clues to the future.



An aerial view of Rugby Park, Hamilton, New Zealand, where hundreds of demonstrators protesting the tour of the South African rugby team, the Springboks, forced the cancellation of a second game. Here, police and demonstrators occupying the playing field engage in a face-off.

New Zealand Delays Decision to Cancel Tour by Springboks; Protests Continue

From Agency Dispatches

HAMILTON, New Zealand — The New Zealand government on Sunday postponed until Tuesday a decision on whether to call off the South African rugby tour that has led to violent anti-apartheid demonstrations.

Acting Prime Minister Duncan McIvor told a news conference in the capital of Wellington that the parliamentary caucus would make a decision on Tuesday.

In Wellington, New Zealand Prime Minister Robert D. Muldoon, who is en route to London for the wedding of Prince Charles and Lady Diana Spencer, said the

government meeting would not necessarily decide whether the tour should be called off. It will decide "what, if any, action the government takes," he said.

Mr. Muldoon said that at present the tour is "in the hands of the police who will be talking to the government and the Rugby Union."

Met With Ministers

Earlier on Sunday, Mr. McIvor met with the ministers of justice, police and defense to discuss Saturday's protests at Hamilton Rugby Ground, where the game against the Springboks was abandoned after anti-apartheid demonstrators occupied the field.

Police Commissioner Bob Walton said the game was canceled because of the demonstrations by up to 5,000 persons and because he feared that a light aircraft that was reported stolen might appear above the stands. He was not specific, but other police sources said they feared a fanatical apartheid opponent might crash the plane into the stands.

The scenes at Hamilton, where 500 police were unable to prevent determined, helmeted demonstrators from ripping off the fence and battling with rugby supporters, were the worst ever witnessed in New Zealand, Mr. Walton said.

After a conference on Sunday afternoon between Mr. McIvor, Cabinet ministers and Commissioner Walton, Mr. McIvor said the government was considering asking the army for logistical support for the police.

"But we are not considering using the army to control the demonstrators," he said. "The events at Hamilton have shown forces at work that no longer respect the law of the country. It has become quite clear that the protesters are ready for pitched battle."

Mr. McIvor appealed for calm and the maintenance of law and order.

30 South Africans

The 30 South African rugby players and four officials remained in their hotel in Hamilton, waiting for a decision on whether their planned two-month tour would continue, or whether they would have to fly home. Since the team arrived eight days ago, almost 300 persons have been arrested at demonstrations in New Zealand's major cities. The New Zealand police force, totaling 4,900 men, has backed off from tough crowd-control measures.

The appearance of helmeted police with batons and visors on the rugby field Saturday was a first in New Zealand and has caused dismay.

However, fervent rugby supporters are expected to react violently to any further demonstrations. Mrs. Elizabeth Sutherland, spokeswoman for the pro-tour Law and Order Society for the Protection of Individual Rights, said the police had not done their job and demanded that the army be called in to allow fans to watch matches against the Springboks.

Newsmen in New Zealand have also come under attack from pro-tour groups who blame them for giving too much publicity to the anti-tour groups and demonstrators. Newsmen and television crews were physically assaulted after the match was abandoned Saturday.

Prince Takes to Polo Field As Sightseers Throng City

(Continued from Page 1)

The sour tone of the British press is the exclusion of reporters and cameramen from most of the social events in which the first lady is taking part.

Lady Diana smiled and showed all her accustomed poise at Windsor Sunday. She also made what will probably be her last public comments before she is married, replying in writing to a series of written questions from the Press Association, the domestic news agency.

The greatest task before her, the 20-year-old said, is being a good

wife. She said that after her marriage her life will obviously be much busier, but she expressed the hope "that we will also be able to have the opportunity to have some time to ourselves."

Early Sunday morning, coaches and cavalrymen and soldiers wearing bearskin hats moved through central London in a dress rehearsal of the wedding. The principals did not take part in the run-through. Hundreds of onlookers jammed the sidewalks.

As the wedding fever mounted, with Sunday newspapers devoting column after column to nuptial trivia, security precautions began. An unemployed youth caused a major scare last month when he fired several blank shots at the queen while she was riding in the Trooping the Color ceremony.

Workmen have just about finished placing flowers along the procession route. As the carriages move away from the palace, they will clatter past a bank of 14,000 geraniums. Pink, mauve and blue petunias, as well as verbena and phlox, will be used in hanging baskets on the route and in floral displays inside St. Paul's.

Sir John Betjeman, the 75-year-old poet laureate, chose Sunday to make public the poem he has written to celebrate the occasion. He will not be able to attend the wedding because he is recuperating from a severe stroke that he suffered in April, but his poem expressed his great delight that the royal couple would be married "below Sir Christopher's embracing dome."

Monday evening the queen will entertain 90 guests at a dinner at the palace. They will dine from gold plates. Later, there will be dancing until dawn for 1,400, including Mrs. Reagan. It will be the last time the bride and bridegroom see each other until Wednesday.

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Retaliation Threats Shake Frail Mideast Cease-Fire

(Continued from Page 1)

said on Israel radio. "So, I did not answer [with fire] because I wanted to show the world that they are the aggressors and because the United Nations used to accuse us of always being the aggressors," he added.

Maj. Haddad's threat came amid a continuing dispute over whether the rightist Christian enclave was included in the cease-fire agreement.

Cross-Border

PLO Chairman Yasser Arafat said Saturday in Beirut that the cease-fire applied only to "cross-border" fighting, and that he reserved the right to continue military operations in Maj. Haddad's enclave, although he was reported to have reprimanded PLO field commanders after Friday night's violations.

However, senior officials in Israeli Prime Minister Menachem Begin's office said Sunday that the agreement explicitly includes a clause applying the cease-fire to the Christian enclave. This view was supported by Timur Goksel, spokesman of the UN Interim Force in Lebanon headquarters in Naqura, who said there was no distinction made between Israel itself and the enclave.

The Saudi ambassador in Beirut, Ali Shaer, whose country played a key role in mediating the cease-fire, was reported as saying it covered the enclave as well as cross-border hostilities.

The UN peacekeeping force in Lebanon traditionally has regarded Maj. Haddad's 500 former Lebanese Army regulars and 1,500

predominantly Shiite Moslem irregulars as a surrogate of the Israeli Army, which also maintains its own permanent presence inside the enclave.

One of Mr. Begin's aides, speaking only half facetiously, commented Sunday that "Marjayoun is in Israel."

[Speaking on a U.S. television program Sunday, Mr. Arafat said that the cease-fire agreement also does not include PLO guerrillas operating on the West Bank of the Jordan River and in the Gaza Strip, The Associated Press reported from New York.

In those areas, "we are under Israeli occupation... we are resisting this occupation, this organized terrorism," Mr. Arafat said. "According to the United Nations charter and the United Nations resolutions... we have the right to resist" in the occupied sectors, AF quoted him as saying.]

Another point of contention is overflights of Lebanon by Israeli reconnaissance aircraft, which, according to Mr. Arafat, would constitute a violation. Israel maintains the security of its southern border cannot be guaranteed without overflights.

The Palestinian guerrilla headquarters in Sidon said that Israeli aircraft conducted high-altitude reconnaissance flights Sunday over that coastal city. Reuters in Beirut said Palestinian anti-aircraft units opened fire. The Israeli Army command had no comment, and an army spokesman said, "Anyway, there is no connection between the agreement and reconnaissance flights."

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WORLD NEWS BRIEFS

France Urges Decision on Missiles Before Talks

PARIS — French External Relations Minister Claude Cheysson said that negotiations for the withdrawal of Soviet SS-20 missiles aimed at Western Europe could begin only after a decision to counter them with the deployment of new U.S. missiles.

"Perhaps in the autumn, before U.S. missiles are installed, but after a decision to install them is totally credible because it has been confirmed by all parties directly concerned, then we will be in a good position for negotiations," he said in an interview with the French news agency, Agence France-Press, on Saturday.

Mr. Cheysson said that the Soviet SS-20 missiles had a "diabolical precision" unequalled by anything in service in the Western arsenal. He said that only the threat of stationing U.S. Pershing-2 and Cruise missiles in Western Europe could get the Russians to negotiate. The U.S. missiles would not be stationed in France, which does not belong to the military wing of NATO.

Plastic Heart Recipient Gets Human Transplant

From Agency Dispatches

HOUSTON — A Dutch bus driver received a human heart transplant Sunday to replace a plastic one implanted three days earlier, and a team of 25 doctors worked feverishly to overcome a blood coagulation problem.

The transplant patient, Willibords A. Meuffels, 35, was in "very critical and somewhat unstable" condition, a spokesman at the Texas Heart Institute of St. Luke's Hospital. He added that the prognosis was "very guarded."

Mr. Meuffels received the heart of a 29-year-old unidentified man whose brain had sustained irreversible damage. The man was declared neurologically dead although he was kept alive artificially until reaching the hospital. Dr. Denton Cooley, who implanted the artificial heart Thursday, said Mr. Meuffels may have suffered irreversible brain damage because when his heart failed Thursday following triple bypass surgery, the normal blood flow to his brain was interrupted for about 45 minutes.

Belize to Receive Independence on Sept. 21

From Agency Dispatches

LONDON — Belize, Britain's last mainland colony in the Americas, will gain full independence on Sept. 21, the Foreign Office announced Sunday.

A statement said the date was decided in talks between Belize Prime Minister George Price and Nicholas Ridley of the British Foreign Office. British forces now stationed in Belize would remain "for an appropriate period" to protect the country's external security.

French Rightist Charged in Marseilles Murder

The Associated Press

PARIS — Pierre Dehez, a founder and secretary-general of the Civil Action Service (SAC), a powerful rightist grassroots organization, was charged Sunday with complicity in murder.

Marseilles Police Inspector Jacques Massie, a former local SAC chief, was murdered July 18. His wife and son, his wife's parents and a family friend had disappeared and are also believed to have been murdered. A Marseilles schoolteacher and member of SAC has confessed to murdering Massie and his son.

The case became a political issue when the links to SAC, a controversial organization for many years, were made public. Pierre Dehez, Pierre Mauroy pledged Saturday the government would ensure that the full truth was revealed "whatever the position of men" finally involved.

Turkey Frees Moslem Politician and 2 Aides

From Agency Dispatches

ANKARA — Turkish authorities have freed Necmettin Erbakan, the country's foremost Moslem fundamentalist politician, who is on trial for contravening the strict secular laws of the state.

Mr. Erbakan, 55, and two other senior officials of his National Salvation Party were released from custody on Saturday. No bail was set.

Mr. Erbakan was detained with other top politicians immediately after last September's military coup. He and 33 other party officials have been on trial since April on charges of trying to establish an Islamic-based state. All have now been released.

Israel Ousts American for Anti-Semitic Taunt

From Agency Dispatches

TEL AVIV — A senior manager of an American firm building a large new Israeli air base was dismissed last week and ordered to leave the country over an alleged anti-Semitic remark, Defense Ministry officials said on Sunday.

They said that Don Bast, a general manager for administration with Air Base Constructors, left Israel on Thursday. ABC is building one of the air fields in the Negev Desert to replace those being given up to Egypt in the Sinai under the peace accord between the two nations.

The officials said that during a quarrel with an American-Jewish engineer working for ABC, Mr. Bast was alleged to have said: "Hitler should have finished what he started," as well as other anti-Semitic and derogatory remarks against Israel.

Casey Reportedly Failed To Disclose \$10,000 Gift

(Continued from Page 1)

had been involved in Mr. Casey's past business enterprises.

On Sunday, Mr. Casey asked the Senate Intelligence Committee to allow him to appear at a committee hearing as soon as possible to try to dispel the controversy over his tenure.

The 68-year-old intelligence chief stepped up his campaign to hang onto his job in the face of questions about his past business dealings, his management of the agency and calls for his resignation by three key Senate Republicans.

CIA spokesman Dale Peterson said that a voluminous stack of written materials was delivered to the Senate committee Sunday afternoon.

These responses were in answer to four pages of questions the committee sent to Mr. Casey last week regarding his role as a director of a failed New Orleans farming venture called Multipurpose Inc. and his appointment of Max C. Hugel, a businessman inexperienced in intelligence, to head the CIA's clandestine operations. Mr. Peterson said.

On Thursday night, Sen. Barry Goldwater, Republican of Arizona, chairman of the committee, said he felt Mr. Casey should resign because of his appointment of Mr. Hugel, who was forced to resign recently because of disclosures of questionable financial activities and allegations of financial wrongdoing.

On Friday, two more Republican senators, assistant majority leader Theodore F. Stevens of Alaska and William V. Roth Jr. of Delaware, a member of the intelligence panel, said Mr. Casey should resign. Other senators were said to be leaning in the same direction.

White House officials said that Republicans on the committee seemed to have such strong personal objections to Mr. Casey that he might have to resign. The Times reported.

But White House spokesman David R. Gergen said Saturday that the "president believes that Bill [Mr. Casey] definitely ought to remain on the job."

Mr. Reagan, said Mr. Gergen, "believes that Mr. Casey is doing a fine job at the CIA. In light of that, the background the president is providing fully behind Mr. Casey." Mr. Gergen added that the president has received calls from "three to five" senators urging him to "withhold judgment until all the facts are in and have been carefully weighed."

Mr. Casey's supporters launched

Schmidt Tells Party of Need For Tight Budget

From Agency Dispatches

BONN — Chancellor Helmut Schmidt told the leadership of his Social Democratic Party on Sunday that drastic savings were required from an austere 1982 budget to help West Germany's economy pull out of the present recession.

At an all-day session of the party's national executive, parliamentary leadership and budget committee, Mr. Schmidt said the country's record government deficit must be reduced in order to stimulate productive investment.

Finance Minister Hans Martinhofer detailed to the meeting plans to cut about 16 billion marks (\$6.5 billion) in public spending next year. He also outlined measures worth an estimated 5 billion marks to encourage investment, party sources said.

Mr. Martinhofer proposed an increase in tax on leasing on but no other income or sales tax rises. The main surprise in the package was a proposal to raise 2.5 billion marks giving business more scope to write off investments against tax.

Details of his 50-point plan will be released Monday before budget talks between the Social Democrats and the junior coalition partner, the Free Democratic Party.

Floods Left 753 Dead, 558 Missing, 1.5 Million Homeless, China Says

New York Times Service

PEKING — The worst flooding since 1949 left 753 dead, 558 missing, 28,140 injured and 1.5 million homeless in Sichuan province this month, the Chinese news agency has reported.

The agency said Saturday that details of damage from the floods from July 12 to July 15 in the province were given to Peking officials Wednesday.

The number of dead was down sharply from previous estimates, but the flood damage in terms of homes destroyed and crops damaged was greater than that reported last year, when China turned to the international community for the first time for disaster relief.

Officials have estimated flood damage in Sichuan at more than \$1.14 billion.

More than 17 million acres of cropland were inundated, of which crops on one-fifth of this area were destroyed, the report said. Fifty-one cities in the province were flooded, 80 major highways and 483 country roads were washed out, and 174 factories were flooded and had to close, the news agency reported.

Hanoi Supporter Is Slain in U.S.

The Associated Press

NEW YORK — A group calling itself the Anti-Communist Viets Organization has claimed responsibility for the slaying in San Francisco of a backer of the current Communist regime in Vietnam.

To a letter postmarked from Las Vegas, Nev., and received by The Associated Press on Saturday, the group said it decided to "punish" Lam Trong Duong because he had "continuously committed odious crimes against Vietnamese people."

The postmark date was illegible.

San Francisco police said they had never heard of the Viets group but were investigating whether there was any connection between it and the slaying. The police confirmed on Saturday that Mr. Duong, 25, an Indo-Chinese refugee worker and community organizer, was shot in the chest Tuesday. Mr. Duong had made no secret of his admiration for Ho Chi Minh, the father of Vietnamese Communism, the police said.

Mud Kills Swiss Campers

The Associated Press

DOMAT-EMS, Switzerland — Mud and rock apparently loosened by several days of heavy rains crashed down on a tent at a campsite near here Friday night, killing five Swiss girls and their 18-year-old leader, police said.

ADVERTISEMENT

IN MEMORY OF H.I.M. MOHAMMAD REZA PAHLAVI, SHAHANSHAH OF IRAN, BUILDER OF A MODERN NATION, AND ALL IRANIANS FALLEN VICTIM TO A MONSTROUS REGIME OF DARKNESS AND TYRANNY.

A year ago on this day, my brother, the Shahanshah of Iran, closed his eyes to this world. Despite the sufferings of exile and ravages of disease, his only thoughts were for the distress and the calamities which had befallen his people and his once prosperous and progressive nation.

On this day which marks the first anniversary of his demise, for the respect of his memory, I will keep silent my own grief and dwell on the terrible sufferings which have become the daily lot of my beleaguered country.

We must all cry for the increasing number of innocent Iranians falling each day victims to the atrocities committed by the turbaned torturers of my country. We must all mourn a once forward looking and hospitable land which fanatical zealots stemming from the darkness of medieval times are pushing towards the abyss of nothingness.

Today, in the midst of our tears we are asking ourselves when will this chapter of murder and mayhem come to a close? When will the general silence under whose welcome cover the unleashed fanatics commit their abominable crimes in complete impunity come to an end? Are we to believe that human rights are to be applied only for the "benefit" of a few nations? Are we to allow the religious bigots in Tehran and Qom to further their dreams of total annihilation of a several thousand year old civilization? Must we accept the dismemberment and ruin of our land brought forth by medieval logic and rhetoric which endlessly repeats and uses key words in varying combinations only to better twist them for the benefits of a few greedy bigots and tartuffes who wish to establish total theocratic dictatorship?

Not satisfied with trampling upon all freedom and most basic rights qualified as "Western mirages" these inquisitors of the darkest of times are re-establishing the Law of Talion in a new version called "The Bill of Retribution and Vengeance." How can the world close its eyes to these heinous crimes? Once upon a time it was fashionable to criticise the past regime for a single arrest. But today the same champions of Human Rights keep an astonishing silence on the execution of thousands of innocent people; brutal repression in Iran does not raise a single protest. Islamic Guards kill at will all opponents and to set an example shoot anyone daring to protest their deeds, may they be nine or ninety-nine years old!

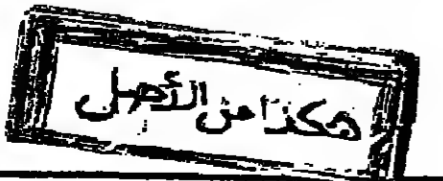
Good souls throughout the world pretend to ignore the thousands who are rotting in Khomeini's cells and the daily executions which make room for new waves of arrests. Today the blood-thirsty monsters ruling Iran have come to slaughter systematically even their own supporters of earlier days. But those "one time backers" of the mullahs knowing better what Islamic justice means for having practiced it themselves run into hiding and vanish from the scene whenever they can.

Truly, in the name of religion, it is a whole nation which is brought to the gallows and firing squads. Yet everyone knows that Islam is a religion not of hate and revenge but of compassion and clemency. Therefore why is the world striving to hide the truth on the atrocities of the zealots who pretend to be saints while they have in fact come to terms with the devil? Why is there no international outcry toward these horrors and heinous crimes? Must we believe that behind the scenes invisible foreign hands are pulling the strings of the "puppet mullahs" ruling Iran? Are the civilized nations of this world going to continue sacrificing International Principles and Human Rights to selfish short term interests?

Before the world's eyes a thorough and genuine "holocaust" is taking place in Iran and yet the International Community chooses to ignore it! As in the times of Hitler, must we wait for the completion of the catastrophe in order to react?

The long list of those murdered in Iran is increasing each passing day. The guns of so-called "Islamic Retribution" have now turned against all Iranians and ultimately the world at large. It is high time for the International Community's conscience to awake in order to help Iranians in bringing an end to the nightmare.

ACHRAF PAHLAVI
12 Avenue Montaigne,
Paris 75008, France.



Fugitive Ex-CIA Agent Said to Seek Deal

By Jim Hoagland
Washington Post Service

WASHINGTON — A former CIA operative wanted in the United States for allegedly smuggling weapons to Libya and conspiring to kill a political rival of Col. Moammar Qadhafi met secretly with a U.S. prosecutor in Rome earlier this month and offered to arrange the kidnapping of other fugitives abroad in return for his own freedom. The Washington Post has learned.

The extraordinary plea-bargaining proposal was made by Edwin P. Wilson, who is under a federal indictment for activities that allegedly included supplying Col. Qadhafi's government with explosives and recruiting former Green Berets to run terrorist schools in Libya. Assistant U.S. Attorney E. Lawrence Barcella Jr. rejected the idea after a lengthy discussion with Mr. Wilson, informed sources said.

The meeting was held about July 10. It was made possible by a U.S. request for Italy to suspend the Interpol warrant against Mr. Wilson, who registered at the Hilton Hotel in Rome on July 8, Washington Post special correspondent Sari Gilbert reported from Rome. The warrant was rescinded after Mr.

Wilson returned to his exile home in Libya the following week, according to Italian police sources.

According to one version of the meeting that Mr. Wilson has circulated, U.S. officials initiated the discussion of his kidnapping one or more Latin Americans wanted by the U.S. government in another crime. Mr. Barcella refused to confirm or deny that he had met with Mr. Wilson, but he reportedly denied that he would ever offer to make a deal based on kidnapping.

Cuban Exiles

Positive identification of the potential kidnapping targets could not be made, but the circumstances of the conversations with Mr. Barcella strongly suggested that the fugitives mentioned by Mr. Wilson were two Cuban exiles wanted for the 1976 car-bombing assassination in Washington of former Chilean ambassador Orlando Letelier. The whereabouts of the two Cubans, José Dionisio Suarez Esquivel and Virgilio Pablo Paz Romero, are unknown.

Mr. Barcella is the principal prosecutor in both the Letelier and Wilson cases. Mr. Wilson's lawyer, Seymour Glanzer, also represented one of the main figures in the

Letelier case, Michael V. Townley, who pleaded guilty and testified against the Cubans in return for a reduced prison sentence.

Moreover, Mr. Wilson and Chile's secret police apparently recruited would-be terrorists for separate schemes from the same reservoir of Cuban exiles who became associated with the CIA during the Bay of Pigs operation. One of the charges against Mr. Wilson is that he and another former CIA operative, Frank E. Terpil, recruited Cuban exiles to murder Omar Abdallah Meheishi at Col. Qadhafi's request, although the plan was never carried out.

Mr. Wilson, 52, and Mr. Terpil, 41, were indicted in April, 1980, after a protracted investigation. They appeared to have manipulated their CIA backgrounds and connections to deal in the international arms business.

Villa in Tripoli

Both men fled the United States after the indictments were returned, and Mr. Wilson is known to be living in a large villa near the Libyan capital of Tripoli. Mr. Terpil was interviewed by a British journalist in Beirut three weeks

ago and is presumed to be living in there, although there are reliable reports that he also visited Europe this month.

Mr. Barcella and the other principal prosecutor in the Wilson case, Carol E. Bruce, acknowledged that they had been out of Washington at the time that Mr. Wilson was in Rome, but said that they could provide no information on a pending case.

Interior Ministry sources in Rome confirm, however, that Criminalpol, the Italian police unit that works on international criminal matters, received a telex on July 3 suspending the arrest warrant that border police were routinely holding for Mr. Wilson.

It is unclear whether there was more than one meeting in Rome and the exact meeting place is not known, although it does appear that some U.S. Embassy personnel in Rome came to know of the session. According to one account, a U.S. official was able to persuade Mr. Wilson to let his passport be examined during the meeting and it was promptly stamped with a "canceled" notice, angering Mr. Wilson.

Mr. Wilson also used his stop in Europe to investigate the possibili-



Edwin P. Wilson

ties of expanding into European markets the import-export firm he says he runs in Libya, according to informed sources.

In addition to emphasizing, as a general proposition, that he would never be party to an agreement that resulted in an illegal act such as kidnapping, Mr. Barcella also emphasized that any conversations entered into with a defendant by his office are only for the purpose of "moving a case along" from a stalled position.

U.S. Marine 5-Year Plan Aimed At Better Manning, Firepower

By Richard Hailoran
New York Times Service

WASHINGTON — The Marine Corps has drawn up an ambitious five-year plan to reorganize manpower, increase firepower, acquire more tactical mobility and expand combat support elements.

Senior officers at Corps headquarters said last week that the Marines will retain amphibious operations as their primary mission and that the changes in structure, arms and equipment will be evolutionary, not revolutionary.

The plan, to begin in October, 1982, will be reviewed by Defense Secretary Caspar W. Weinberger and the top civilian policy planners in the Pentagon and the White House before it is submitted to Congress next January. But the Marine officers indicated that they expected most of it to be approved in view of the fact that it had been worked out in consultation with those officials.

The officers also said that their plan, using the 1982 budget of \$6 billion as a base, was drawn up under the administration's guideline of 7 percent real growth in military spending each year. That would make the 1987 budget \$8.4 billion, without accounting for inflation.

Stockpile Inadequate

The Marine officers said that their plan attempted to balance efforts to keep the current force combat ready and to add new forces and weapons. But they said that the plan, as it stands, would not enable the Corps to stockpile enough ammunition and supplies to sustain itself in battle for as long as the administration has instructed.

The Marine Corps plans to reduce the size of the infantry battalion, the basic ground combat unit, to 789 men from 889 men. At the same time, the officers said the Corps wanted to increase its strength from 190,000 at the end of this year to 202,000 by 1987.

The 100-man shift out of each infantry battalion, and the new people, would go into combat support units that have been neglected in recent years because of budget constraints. Of the 129 companies currently staffed by skeleton cadres, 121 would be brought up to full strength.

More Civilians

Those companies, which vary in size from 120 to 150 men each, include maintenance, fuel, ammunition, motor transport, military police, engineer, supply, communications and medical units.

In addition, the Corps has asked that its civilian labor force be increased by 1,222 over the current 19,500 to relieve Marines from depot maintenance, recreation, base support and similar work to return to military duties.

The Marine officers said their plan called for a 30 percent increase in firepower by increasing the numbers of guns, increasing their caliber and adding new weapons.

The plan envisions replacing 138 artillery pieces of 105mm size with 168 guns of 155mm, plus 30 new self-propelled 155mm guns. New air defense missiles will be added and each infantry battalion will have more machine guns, anti-tank missiles and new assault weapons that fire projectiles at bunkers and other hardened defensive positions.

The Corps plans to add a battalion of 144 lightly armored vehicles to each division. They are currently being developed along with the Army, but there are disagreements over weight and the size of the vehicle's gun. The Corps is further considering replacing its M-60 tanks with the new M-1 Abrams tanks later in the five-year period.

Harrier Squadrons

Under Marine concepts, air power is integrated with ground combat units. To enhance that, the Corps plans to procure eight squadrons of 24 Harrier attack planes each. The Harrier, developed by Britain but resisted by the Carter administration, can operate from a small, bare, front line base to give close support to ground forces.

In addition, the Marines have asked for three squadrons of 24 helicopter gunships each. For aerial combat and ground support missions, the Corps has listed 12 squadrons of 12 FA-18 Hornets, new jets that have been the center of controversy because of high costs.

To improve control of their forces, the Marines plan to acquire new automated systems to gain better communications from higher headquarters down to the battalions. One system would give ground commanders a quick reading of all the firepower assets available to him and allow him to select immediately the best suited to his situation.

El Salvador Junta Tries To Prepare 1982 Election

By Raymond Bonner
New York Times Service

SAN SALVADOR — A grieving woman, lighting candles at the four corners of a body covered by a sheet, appeared on the television screen. It might have been her husband, daughter, son or a friend killed in political violence. A narrator asked viewers if they wanted the violence to continue. The bereaved woman said, "El Salvador deserves your vote."

The public service announcement has been taken off the air, to the relief of many Salvadorans who were troubled by the negative approach of associating elections and democracy with death.

Now, with more positive radio and television announcements, the Salvadoran government is energetically trying to inculcate the democratic spirit.

The schedule calls for Salvadorans to elect a National Assembly in March, 1982. The assembly's most important undertaking will be to draft a constitution that will include a provision for the election of a president sometime within the next two or three years.

The Christian Democratic Party, which now holds most of the posts in the civilian-military government, and the United States are the major forces behind the electoral solution. But they have reservations about how democratic the elections will be.

"Going to Try"

"Can we between now and next March create the conditions for elections that will be meaningful?" the U.S. ambassador, Deane R. Hinton, said in a recent interview. "Difficult, but we don't despair. And we're sure going to try."

"I have to admit the elections are not going to be perfect," the head of the election commission, Dr. Jorge Bustamante, said in an interview.

Most sectors of Salvadoran society, including the National Federation of Lawyers, the Roman Catholic Church and conservative business leaders, are stronger in their declarations that the conditions are not propitious for bringing democracy to their country.

In his homily on July 19, Msgr. Arturo Rivera Damas, the senior church official in El Salvador, reiterated that the level of violence and the lack of confidence in the government make meaningful elections impossible.

According to Mr. Bustamante, the violence will in effect disenfranchise most peasants in rural areas, where an estimated 60 percent of the population lives and where illiteracy is about 70 percent.

Rallies Prohibited

The National Federation of Lawyers has refused to work with the election commission in drafting an election law. One of the reasons given is that there is a state of siege, which suspends constitutional rights such as freedom of speech and assembly. Mass demonstrations and political rallies are prohibited.

"There can't be an election under these conditions, and the state of siege can't be lifted now," Rene Fortin Magana said in an interview Thursday. Mr. Magana is president of the lawyer's federation and was a member of a ruling junta in 1960. He is now organizing what he calls a pressure group, called Democratic Action, which might participate in the elections as a party to the right of the Christian Democrats.

Only the Christian Democrats want the elections, Mr. Magana said, adding, "We are not obligated to participate."

The main objection to elections involves the advantages of incumbency enjoyed by the Christian Democrats, which under the state of siege includes their control of radio and television. Mr. Magana said more non-Christian Democrats must be brought into the government before there can be elections.

Media Campaign

"It will be a media campaign," said José Eduardo Palomo, manager of an agricultural supply company and a member of Democratic Action. It will have to be, he said, because fear of being assassinated will keep candidates from campaigning in public.

On the other side, it seems unlikely that there will be any significant participation by leftist groups, either because they will not be allowed to campaign or because their leaders fear they will be killed.

The Christian Democratic Party's headquarters has been bombed several times. "We know that many of us will be killed during the campaign," said San Salvador's Christian Democratic mayor, Julio Adolfo Rey Frédes.

The head of the Democratic Revolutionary Front is Manuel Guillermo Ungo, a Social Democrat. Mr. Hinton said that Mr. Ungo, who is in exile, should be allowed to be a candidate, and he expressed confidence that Mr. Ungo would not fare well. "He has no future in this country," Mr. Hinton said.

To Some Blacks, Reagan's Gestures And Policies Are on Different Tracks

By Howell Raines
New York Times Service

WASHINGTON — President Reagan's relations with blacks have frequently been awkward. His campaign was marked by a shouting match with Bronx ghetto residents and by his pilgrimage to Mississippi's Neshoba County Fair, an old-time segregationist stronghold.

Only 19 of 400 top appointments in his administration have gone to blacks. When the most senior of the 19, Housing and Urban Development Secretary Samuel

el R. Pierce Jr., visited the White House recently, Mr. Reagan did not recognize him among a group of mayors.

Mr. Reagan's aides have carefully publicized the president's gradual turnaround on the most visible civil rights issue of the moment; it now appears likely he will support renewal of the 1965 Voting Rights Act, that landmark civil rights law he formerly viewed as unfairly burdensome to Southern whites.

But this credit has been outweighed by a growing feeling among blacks that there is a contradiction between his gestures and the government practices he has instituted. While Mr. Reagan has entertained black dignitaries in the Oval Office, his appointees in the agencies were scrapping civil rights policies that have prevailed through both Republican and Democratic administrations for two decades.

At the key enforcement agencies — the Justice Department, the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance and the Office for Civil Rights in the Department of Education — enforcement activities have slowed or stopped. Traditional remedies such as suing and affirmative action and Justice Department lawsuits are out of favor.

The dominant role in shaping policy on treatment of minority members, once held by the Justice Department, is shifting toward the Office of Management and Budget.

The relationship between the administration and its black critics took a new turn last week as frosty disapproval was replaced by the sharp accusations of Vernon E. Jordan Jr., president of the National Urban League. Granting that Mr. Reagan is "a good man, a courageous man and, on a personal level, a compassionate man," Mr. Jordan nonetheless accused the president of leading a retreat on race relations.

Mr. Reagan, he said, is espousing "a recycled version of ideas and policies that were buried in the Great Depression." The Urban League president ridiculed Mr. Reagan's prescriptions of less federal regulation, more state rights and increased defense spending. "They are not ideas," he said. "They are slogans... [that] reinforce the meanest instincts of selfishness."

Vis President Bush went to the Urban League convention to warn the civil rights group not to "bring us an old agenda that led to the status quo." He also vowed that the administration would not retreat from the United States' commitment to civil and individual rights.

"It's clear that their policy is going to be one of substantial retreat on civil rights laws," replied Phyllis McClure, an attorney for the NAACP Legal Defense and Educational Fund. That retreat, according to Mrs. McClure, amounts to giving lip service to equality but opposing legal remedies used in the past to enforce it.

Administration officials agree that they are abandoning traditional remedies.

Enforcement Cutbacks

"One is busing," said William Bradford Reynolds, assistant attorney general for civil rights. "The other is in the affirmative action area, moving away from quotas." The Office of Federal Contract Compliance and the Office of Civil Rights in the Department of Education have instructed their field staffs to cut back enforcement. The Equal Opportunity Employment Commission has receded into obscurity under a White House mandate to take a pro-business attitude in discrimination cases.

Earlier this month, responding to appeals from business lobbyists, the budget office instructed the Labor Department to review its proposed new rules for minority hiring by federal contractors. Labor had already cut back by 75 percent the number of firms covered by hiring quotas. Now, the budget office wants it to tighten the rules under which women and blacks and other minorities can claim back pay for past discrimination.

On racial matters, Mr. Reagan, like his administration, often seems torn by contradictory impulses. He opposed the 1964 Civil Rights Act as an unconstitutional infringement on property rights. Yet he likes to answer those who accuse him of prejudice by recalling, as he recounted in his autobiography, how he took a black college teammate into his home as an overnight guest rather than patronize a segregated hotel.

The president's personal history suggests that he harbors no ethnic malice, but that he has been insulated from the experience of minority groups in the United States.

Stalking Ambassadorial Brick: U.S. Firm Gets Moscow Contract

NEW YORK — A brick is not just a brick, especially when 1.4 million of them are needed for the new United States Embassy in Moscow, and U.S. experts had to carefully search in several countries for just the right brick to serve as a symbol of the United States in a foreign land.

A fine, pinkish-tan brick has been chosen for the facade of the Moscow embassy. The chosen brick is made by Merry Companies of Augusta, Ga., and the 1.4 million bricks will cost the U.S. government \$836,035.25.

The cost of shipping the load to the building site will be roughly \$1 million.

U.S. architects and State Department officials looked in Finland, Sweden, Russia, Yugoslavia and Hungary for the right brick at the right price, without success.

In an attempt to "recall Philadelphia or Boston," an architect said, the quality and "character" of the brick also became very important. The Russians, he said, proposed using a brick that the architect thought was too dark, and would produce an effect "like a schoolhouse."

The Russians did not miss out entirely, however: Merry is providing brick only for the exterior of the building and the Russians will make all the interior brick, the bulk of that needed for the project.

And while it is rare for Merry to ship bricks abroad, the Moscow embassy is not the company's first such job. Its bricks were also used to build a Burger King in Guam.

U.S. Seeks to Speed Entry Of Travelers at Airports

By Dorothy J. Gaiter
New York Times Service

NEW YORK — U.S. officials at Kennedy International Airport are trying to cut the long waits in inspection lines this summer with the addition of more temporary inspectors, but their hopes for a more permanent solution to the seasonal logjams rest on an abbreviated inspection system to be tested at two other major airports.

On July 1, the Immigration and Naturalization Service added the first of 70 additional inspectors, 20 more than last summer, to its lines at the International Arrivals Building at Kennedy and at the Trans World, Pan American, American Airlines and British Airways terminals there.

The extra workers brought the total number of inspectors to about 165 — "more inspectors than at any other time in the history of this service at the airport," said Thomas M. Roland, assistant officer in charge of the Immigration Service at John F. Kennedy.

100 Temporary Employees

The Customs Service has added 100 temporary employees, the same number as last summer, to augment its regular work force of 146 cargo inspectors and 125 passenger inspectors.

The agencies that handle international travelers and the industries that benefit financially from them are concerned that tourists irked by long lines and missed connections may not return to the New York area.

The delays also have a ripple effect. High-value freight shipments are held up by the slow-moving lines, as are airplanes, which only earn money while in flight.

"The additional inspectors have to provide some relief, but how much we don't really know," said Jack K. Gartner, assistant manager of the public service division of the Port Authority of New York and New Jersey, which operates the airport.

"This is a temporary quick fix," he said, "just for this summer as far as we know."

"Last summer was a disaster for Kennedy Airport," Mr. Gartner added. He said a total of 236 air-

craft had to be held on the ground during the summer, "inconveniencing 70,000 passengers."

This, he said, occurred because inadequately staffed inspection lines inside the International Arrivals Building, which processes half of the passengers from international flights, were jammed with tourists and their baggage. Inspectors struggled to check thoroughly for illegal drugs and disease-bearing foods or plants as well as foreign visitors who were considered likely to overstay their visas.

New System Tested

Mr. Gartner said that he has heard many complaints about the "extensive delays and the inconvenience of the federal inspection process."

Kennedy Airport officials had hoped that it would be one of at least two airports permitted to test the accelerated inspection system this summer. Last year, it handled 6.3 million arrivals, or 31 percent of all international passengers arriving in the United States by air. But despite an intense lobbying effort in Washington, Kennedy lost to Miami International Airport, which handled 4.3 million international arrivals last year, and to Los Angeles International Airport, which processed 2.8 million.

The test system provides for a one-stop procedure for all passengers at a primary inspection line staffed by inspectors who are "cross-trained" to screen for the Immigration Service, the Customs Service and the Agriculture Department.

At that line, the declaration statement filled out by each passenger would be reviewed and their carry-on baggage would be inspected.

Those requiring additional inspection would be sent to a second inspection line, while others could pick up their checked baggage and leave. Secondary inspections would be based on pre-established passenger profiles, the origin of the flight and sampling or random selection.

Mr. Gartner estimated that more than 90 percent of the passengers would be free to leave after the first inspection.

22 Indicted in U.S. For Bald Eagle Sales

BELLINGHAM, Wash. — An 18-month undercover investigation into trafficking in protected birds, mostly bald eagles, has resulted in the indictments of 22 persons, officials say.

U.S. and state wildlife agents arrested 16 persons on Friday after a grand jury indictment. The case was believed to be the largest of its kind in the history of Washington, where an estimated 2,500 eagles winter annually, officials said. "It's a major issue," one official said. "The bald eagle is threatened in Washington."

44 Killed

SAN SALVADOR (UPI) — At least 44 persons were killed in political violence Friday and Saturday in El Salvador, including 11 leftist guerrillas and eight government troops who had engaged in a firefight, authorities said.

Gunmen Shoot Man In Basque Province

AMURRIO, Spain — Suspected members of the separatist organization ETA have shot and killed a Basque salesman in this town of the Basque province of Alava, police said.

Police said two young men shot Felix Galindez Llano, 34, four or five times Saturday when he opened the door of the pension where he had lived for 30 years.

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Hamburg Labors Against Oil Spill

HAMBURG — Dead fish and birds were washed up on the banks of the Elbe River on Sunday as special ships worked to skim a giant oil slick off the surface, Hamburg city officials said.

The Liberian-registered tanker Afran Zenith, which spilled 300 tons of heavy Angolan crude when it ran aground in Hamburg on Saturday, was towed into port overnight. Frogmen were trying to plug the leak.

Experts planned to pump the remainder of the 96,716-ton tanker's cargo of 76,000 tons of oil into barges Sunday before towing the ship into dock for repairs, the officials said. The extent of environmental damage from Hamburg's worst oil spill remained unclear.

IRANIAN CLAIMS

The Department of State previously announced procedures for the registration of claims of U.S. nationals against Iran in connection with the U.S.-Iran claims tribunal. The jurisdiction of the tribunal extends to claims of U.S. nationals against Iran (i.e., the Government of Iran or one of its agencies and instrumentalities) that arise out of debts, contracts, expropriations, or other measures affecting property rights. Claims which fall within the jurisdiction of the tribunal and which have a value, in the aggregate, of less than \$250,000 were initially required to have been registered by May 8, 1981. The Department has now determined that it can continue to register claims until at least July 31, 1981. Claimants who do not register may be excluded from a lump-sum settlement and from having their claims presented to the tribunal.

U.S. nationals with claims having an aggregate value of less than \$250,000 who have not yet registered them with the Department are urged to do so immediately by contacting the Office of the Legal Adviser of the Department of State by telex, (89-2461 or 89-6011), telegram or telephone (202/632-5040). Claimants should indicate their names, mailing address, the amount of the claim and a brief description of it (e.g., Personal property left in Iran, contract, debt, etc.). Claims registration forms (DSP-93) will be provided on request and must be submitted promptly to the Administrator of Iranian Claims, Office of the Legal Adviser, Department of State, Washington, D.C. 20520.

Paris' Elegant Terrasse Fleurie

One dines facing a fountain in the courtyard of Paris' Hotel Inter-Continental.

PETER GRAHAM said in a recent Herald Tribune article, "(The) celebrated, and often celebrity-packed Terrasse Fleurie is an Italian-style patio with marvelously gentle lighting... The interesting 140-franc set menu, which includes service but not wine (from the hotel's very well-stocked cellars), comprises various seasonal hors d'oeuvres, a main course, green salad with sherry vinegar and the oil of your choice (corn, ground-nut, olive or walnut), and a free run of cheeses and impeccable desserts." Other assets: discretion, quiet, and good value. Call for reservations: 260.37.80

HOTEL INTER-CONTINENTAL PARIS
3, rue de Castiglione, Paris 1.

Rajai Assured of Iran Presidency After Polling 88 Percent of Vote

From Agency Dispatches
 LONDON — Iran's state radio signaled the election of Premier Mohammed Ali Rajai as the country's new president Sunday night, broadcasting that he had won 12.2 million of the 14-million votes cast on Friday.

There was, however, no formal victory announcement. The broadcast said that returns from all constituencies gave him 12,224,605 votes, or about 88 percent. That would be 1.5 million more than the 10.7 million that Abolhassan Bani-Sadr, who was deposed last month, received in Iran's first presidential election in January, 1980.

Mr. Rajai, who heads the provisional triumvirate that replaced Mr. Bani-Sadr after his impeachment, needed only about 63-million votes to be assured of the presidency, according to a broadcast Saturday, quoting Interior Ministry officials.

Official results are to be announced Tuesday. None of the three other candidates, also Muslim fundamentalists, came close in Friday's violence-torn elections, in which 11 people were

killed. Mr. Rajai, who was expected to win by a wide margin, was helped when his rivals — Abbas Sheibani, Ali Akbar Parvaresh and Habibollah Askaroladi Mossadman — made last-minute pleas to the electorate to vote for Mr. Rajai, 48, a former mathematics teacher.

Mr. Bani-Sadr, Mr. Rajai's bitter enemy, has been in hiding since his impeachment, and he urged voters to boycott Friday's elections. The voting also was for 33 seats in parliament left vacant by the ouster of Mr. Bani-Sadr's supporters and the death of more than 20 deputies in a bomb blast last month at the headquarters of the ruling Islamic Republican Party in Tehran.

Meanwhile, Tehran broadcasts and the official Pars news agency said that Revolutionary Guards raided 25 houses and centers used by the ultraleftist Peykar guerrilla organization and discovered a huge cache of arms. They reportedly found 120 handguns, 60 automatic rifles, 40 submachine guns, more than 1,000 grenades, ammunition, tear gas, explosives and other combat equipment.

Iranian Pilot Defects
 CAIRO (Reuters) — An Iranian Air Force major is seeking political asylum in Egypt after he landed a Boeing 707 here. His four crew members want to return to Iran.

Maj. Darioush Khirkiwa, 37, told reporters Friday night he was on a military mission inside Iran when he decided to fly to Cairo. He said the Egyptians are making arrangements for the return of his crew. "My colleagues tried to persuade me to change my mind but I was determined to come to Egypt," he told a press conference at Egyptian military intelligence headquarters.

President Anwar Sadat has described Ayatollah Ruhollah Khomeini as a lunatic who is tarnishing the image of Islam. Maj. Khirkiwa, wearing his uniform, said that there is no government in Iran and that confusion prevails. He accused Ayatollah Khomeini of trying to push Iran back 14 centuries.

Maj. Khirkiwa said his wife and children are still in Iran. "Today is the birthday of my 8-year-old son and my family must be waiting for me," he added.



Mohammed Ali Rajai

Argentina Still Refuses Safeguards

U.S. Nuclear Policy Blamed for Stance

By Edward Schumacher
New York Times Service
 BUENOS AIRES — Argentina, expressing disappointment in the policy announced earlier this month by the Reagan administration to limit the spread of nuclear arms, will not put its nuclear installations under international safeguards, the head of Argentina's nuclear program said.

The Argentine installations include a small reprocessing plant that is capable of producing the plutonium for a nuclear device, but Vice Adm. Carlos Castro Madero, a nuclear physicist who heads the program, said in an interview last week that his country is "not even thinking of developing a nuclear explosive."

The United States estimates that Argentina could build a nuclear bomb within four to six years if it chooses. Argentina has refused to sign the 1968 Nuclear Nonproliferation Treaty, that bans the spread of nuclear explosives, and has not ratified the 1967 Treaty of Tlatelco, Mexico, which bans nuclear weapons in Latin America.

Argentina refuses to sign the nuclear arms treaty because it is discriminatory, the admiral said, adding that it allows the nuclear program to have explosives even for peaceful uses. A special Latin American treaty allows peaceful nuclear explosives but requires safeguards negotiated with the International Atomic Energy Agency.

Argentina is a charter member of the agency, and Adm. Castro Madero is on its board of governors. Argentina is negotiating with the agency, but because the country abhors full-scope agreements, the talks are bogged down. The admiral would not predict whether an agreement is possible.

"Full-scope safeguards are a blank check in which we put everything under safeguard and do not get anything in return," he said.



H-block campaigners arrive in Dublin to attend protest after 3-day walk from Northern Ireland.

IRA Faster, in 66th Day, Near Death; Strike Backers Demonstrate in Dublin

From Agency Dispatches
 BELFAST — Kieran Doherty passed a 66th day without food Sunday, becoming the first Maze prison convict since Bobby Sands to survive so long without nourishment.

Both Mr. Doherty, 25, who began his fast May 22, and Kevin Lynch, 25, were said to be near death. Mr. Lynch was in the 65th day of his fast. They are among eight Irish Republican Army hunger strikers in the Maze.

A spokesman for the families of the hunger strikers said Mr. Doherty "has lost his hearing and is almost blind." He added, "Kevin Lynch's mouth is almost totally ulcerated. Paddy Quinn, now 42 days on hunger strike, was very sick last night."

Britain's Northern Ireland Office said the men continued to refuse food and to deteriorate in the prison hospital.

7,000 Protesters
 Meanwhile, thousands of demonstrators, shouting "Brits out!" and "Unlock H-Block!" marched through central Dublin on Saturday in support of the hunger strikers.

"What we are saying is that we want our prisoners to live with dignity," Bernadette Devlin McAliskey, a former member of Parliament from Ulster, told the protesters. The conflict in the prison is "embryonic of the conflict outside."

of it," she said, adding, "What we need is the unity of the Irish people against the racism of the British government."

About 7,000 demonstrators, many from Northern Ireland, were said by the police to have taken part in the heavily guarded protest. In a similar protest a week ago, about 200 persons were injured and property damage reached \$2 million in the area near the British Embassy. There were three arrests Saturday but no major incidents.

The speakers attacked Prime Minister Margaret Thatcher of Britain and Premier Garret FitzGerald of Ireland for failing to heed the demands of the prisoners.

"We are not going to let you off the hook," shouted James Gibney, a member of Belfast's H-Block Committee, referring to Mr. FitzGerald. "It is your responsibility as much as the British government's for the situation in the North."

Mr. FitzGerald has angered the H-block campaigners because, they say, he supports the British position of refusing to make a major compromise on political status. The accusation is denied by Mr. FitzGerald's aides.

U.S. Group to Try To Bar Deporting Of Salvadorans

Los Angeles Times Service
 LOS ANGELES — An immigrants' rights group that took the lead in a lawsuit that halted the U.S. deportation of thousands of Haitian refugees last year plans to embark this week on an identical strategy on behalf of Salvadoran refugees.

Peter Schey, director of the National Center for Immigrants' Rights, said Saturday that the Salvadorans are being denied the process by the U.S. Immigration and Naturalization Service. Each month, 400 to 500 Salvadorans are captured by the U.S. Border Patrol and returned to El Salvador from Los Angeles.

Mr. Schey said he plans to follow the same strategy as was done with the Haitians, starting this week with the submission of a Freedom of Information request to the Immigration and Naturalization Service asking names of all deported Salvadorans. Should the agency fail to comply, a lawsuit is planned.

Assistance groups contend that the Reagan administration is declaring Salvadorans economic, rather than political, refugees to avoid embarrassing the present political regime in El Salvador, which it supports.

The main problem, the groups agreed, is the continuing deportation of Salvadorans who may have legitimate claims for political asylum.

Newspaper Claims Plane Crash in Russia Revealed Arms Deal Between Iran, Israel

From Agency Dispatches
 LONDON — The Sunday Times says that the crash of an Argentine cargo plane in the Soviet Union on July 18 has revealed an arms deal between Israel and Iran.

The newspaper said the secret transaction involved the supply by Israel of 360 tons of tank spares and ammunition needed by Iran for its war with Iraq.

The paper said the Argentine plane, a turbo-prop chartered for the deal from a firm in Buenos Aires, was returning to Israel from Tehran after a third delivery flight when it was intercepted by Soviet fighters on the Soviet-Turkish border and crashed.

It said it had obtained its information from Andreas Jenni, the Swiss partner of the cargo plane's pilot. The paper identified the pilot as a 36-year-old Briton, Stuart Allan McCafferty.

The Argentine Embassy said Saturday it was still waiting for official Soviet permission to inspect the wreckage of the plane. But an embassy spokesman said Soviet authorities informed Ambassador Leopoldo Bravo that an examination of the wreckage had uncovered no evidence to support reports the plane had been carrying weapons from Israel to Iran.

The Argentine Embassy made its request to send an Argentinean team to the crash site after the Soviet Foreign Ministry reported finding the bodies of four men in the wreckage, the embassy spokesman said, although he said the Foreign Ministry would not confirm that the plane was Argentinean.

The first report of the crash came last Wednesday from Tass, which said an unidentified plane had entered Soviet air space from the direction of Iran. The agency said the plane performed dangerous maneuvers and finally collided with a Soviet aircraft.

South Africa Accused Of Angolan Killings

Reuters
 LISBON — Angola has accused South African troops of killing 53 Angolans in several raids across the border from Namibia (South-West Africa) last month.

The Angop news agency Saturday quoted the Angolan Defense Ministry in Luanda as listing 13 major raids by South African forces in the first three weeks of June.

Argentina said later that the unidentified plane was in fact an Argentine cargo aircraft and that the crews of both planes involved in the collision had been killed.

The Sunday Times quoted Mr. Jenni as saying the arms deal, negotiated in London, called for the ferrying of material worth \$15 million (\$28 million) from Tel Aviv via Laraca, Cyprus.

Three loads, openly described in documents as tank spares, were delivered on July 12, 14 and 17. The Sunday Times said, adding that the plane may have been lured into Soviet air space while returning from the July 17 delivery.

The Sunday Times added that Mr. Jenni believed the Soviet authorities had been informed of the deliveries and were watching for the plane when it passed close to the border. The paper quoted Western intelligence sources as saying they believed the Argentine aircraft was shot down by a Soviet fighter.

Less-Princely Sums for Europe's Royalty

(Continued from Page 1)
 categorize the extent of his power. "I think I have more or less a kind of power," he told an interviewer from the BBC. "It's as much as the people see you're really worked for your country."

The relative simplicity of Juan Carlos' way of life follows his tone of expression, and it is radically different from that of the British royal family. The annual budget for the Spanish royal household is \$2.3 million, which includes travel, entertainment, payment of the queen's staff and an undisclosed sum for his salary.

The upkeep of the British royal yacht, Britannia, alone costs more than \$4 million a year. Zetzel Palace, the seat of French republicanism and the residence of its Socialist president — is not very regal at all, with a brick exterior and an absence of uniformed pages and retainers. The king has no official counselors, although he does have a small staff of aides and 10 stenographic helpers.

There have never been any accusations that friends of the king were receiving privileges. When Juan Carlos sits, he waits on line for the lift. His summer house is borrowed, and although he has made investments in Latin America, he is regarded at age 43 as among the poorest of the European monarchs. He pays normal income taxes and has no royal aircraft.

Red Brigades Say They'll Kill Kidnapped Man

The Associated Press
 NAPLES — The Red Brigades, who last week released two kidnapping victims, have announced that they have "condemned to death" the brother of a former urban guerrilla who gave evidence in police.

The Red Brigades said in a leaflet Saturday that they had condemned Roberto Peci, brother of jailed terrorist leader Patrizio Peci, who is helping police track down and capture his former comrades.

Journalists found the leaflet in a waste basket after an anonymous caller told them where to look for it.

Roberto Peci, 25, was kidnapped June 10 in San Benedetto del Tronto, on the Adriatic coast of central Italy.

Ciro Cirillo, 60, kidnapped April 27 in Naples, was released Friday. He is chairman of a regional committee on reconstruction of earthquake zones. Renzo Sanrocco, 53, an Alfa-Romeo executive who was kidnapped June 3, was released Thursday.

European Unions Faced With Complex Challenge

(Continued from Page 1)
 sibility of employment growth in those enterprises," said Edmond Maire, secretary-general of the Socialist-leaning CPDT, the second largest labor federation in France.

"We have to move more in the direction of service industries, even at the white-collar level."

In Liverpool, Ash Das, a labor organizer for the Union of Shop, Distributive and Allied Workers, spends much of his time nowadays trying to recruit white-collar workers.

"They tend to feel that their future lies with the management side," he said. "But now even white-collar people are being fired. So we tell them that we can provide the finest insurance scheme, cash benefits and legal backing."

Still, Mr. Das conceded, white-collar employees are a distinct minority in his union, accounting for only 15,000 of the 450,000 nationwide membership.

In Italy, the biggest jumps in employment have also precisely in those firms — small and medium-sized enterprises in high technology fields — where union membership is lowest. Large manufacturers are moving their production "upstream," concentrating their Italian operations on more sophisticated goods and shifting blue-collar work to subsidiaries in the Third World. At Olivetti, for example, white-collar employees now account for 60 percent of the company's Italian labor force, and overall union membership has fallen.

Labor Disputes
 Political splits afflicting the labor movement have also contributed to a stagnation in union ranks in a number of West European countries, like France, Italy, the Netherlands, and Britain.

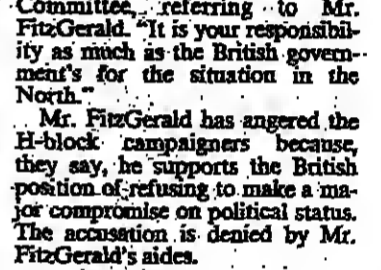
In France, disputes between the two main labor groups — the Communist-controlled CGT and the CPDT — are so great that a campaign side of President Francois Mitterrand quipped that "the left was the recent elections despite the support of the trade unions."

Notwithstanding its reputation for militance, the labor movement in France is probably among the weakest in Western Europe. Membership has declined to the point where only about 20 percent of the

2 Blasts in South Africa

The Associated Press
 DURBAN, South Africa — Two bombs exploded Sunday in gun showrooms in central Durban, injuring two persons, police said. The bombs went off at a restaurant of Sigma and Leyland.

Roberto Peci



Roberto Peci

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Austria	\$ 2,700.00	1,350.00	726.00	Italy (air)	\$ 230.00	115.00	63.00	Saudi Arabia (air)	\$ 248.00	124.00	69.00
Belgium	\$ 5,400.00	2,700.00	1,500.00	Japan (air)	\$ 248.00	124.00	69.00	South America (air)	\$ 330.00	165.00	92.00
Bulgaria (air)	\$ 230.00	115.00	63.00	Lebanon (air)	\$ 248.00	124.00	69.00	Spain (air)	\$ 330.00	165.00	92.00
Canada (air)	\$ 330.00	165.00	92.00	Libya (air)	\$ 248.00	124.00	69.00	Sweden (air)	\$ 330.00	165.00	92.00
Cyprus (air)	\$ 230.00	115.00	63.00	Lithuania (air)	\$ 248.00	124.00	69.00	Switzerland (air)	\$ 330.00	165.00	92.00
Czechoslovakia (air)	\$ 230.00	115.00	63.00	Luxembourg	\$ 4,900.00	2,450.00	1,500.00	Taiwan (air)	\$ 230.00	115.00	63.00
Denmark (air)	\$ 980.00	490.00	278.00	Malaysia (air)	\$ 230.00	115.00	63.00	Texas (air)	\$ 230.00	115.00	63.00
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France	\$ 5,400.00	2,700.00	1,500.00	Netherlands (air)	\$ 230.00	115.00	63.00	Yugoslavia (air)	\$ 230.00	115.00	63.00
Germany	\$ 5,400.00	2,700.00	1,500.00	Norway (air)	\$ 230.00	115.00	63.00	Zaire (air)	\$ 230.00	115.00	63.00
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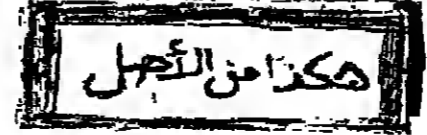
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INTERNATIONAL

Herald Tribune

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Japan Doctor Fights For Certification of Anti-Cancer Vaccine

By William Chapman
Washington Post Service

TOKYO — On several recent mornings a line of about 800 people wound through the corridors of the Japan Medical College Hospital awaiting the dispensation of the "Maruyama vaccine," Japan's most controversial drug.

It has been that way for several years of the clinic operated by the vaccine's discoverer, Dr. Chisato Maruyama, 79, but the recent line-up was something special: A week earlier, a government drug-screening panel had ruled there is no evidence that the vaccine effectively combats cancer.

Still the people, relatives of terminally ill cancer patients, are lining up — and Dr. Maruyama takes their presence as a vote of confidence.

"In other cases where drugs were declared ineffective, the people stopped coming," the physician recalled. "In this case, they keep coming. Because of their strong support, I will go on."

His battle with the government's medical authorities is a major public issue in Japan this summer. Thousands of patients defend the use of the vaccine. Politicians demand that it be certified as useful.

Dr. Maruyama has no doubts. He shows visitors X-rays of his successes. Here, he says, is a tumor on the lung of an 80-year-old man. There is an X-ray taken after four months' use of the vaccine. The tumor is gone.

He said he has documented hundreds of cases of patients who, certified as terminally ill, enjoyed many years of prolonged life after using the vaccine. Last September, he said, the cases of 25,047 patients were recorded. Of that total, 2,437 lived for more than three years and another 473 survived for five years. He claimed that it has no side-effects.

But earlier this month, after five years of considering the Maruyama vaccine, the Ministry of Health and Welfare's Central Pharmaceutical Affairs Council ruled that the drug's manufacturer had presented no evidence to show it was effective against cancer.

"We did not say it was not effective," a ministry official, Kiyoshi Toda, observed. "We just said that no evidence was presented showing that it was effective."

Mr. Toda explained that the drug's manufacturer did not present any data on patients who received the vaccine through Dr. Maruyama's clinic — the patients on whom he bases his claims. The data came from patients at other hospitals that also dispense the vaccine.

The ministry's committee examined 441 cases in which Dr. Maruyama's drug was used alone against cancers. "We checked each case of the 441 separately and found it was not effective," Mr. Toda said. "Some patients started to feel better and had better appetites, but there were no cases in which the tumor actually grew smaller."

Dr. Maruyama said that no cases in his own clinic were presented to the council to avoid suspicion of submitting tainted evidence to prove his point.

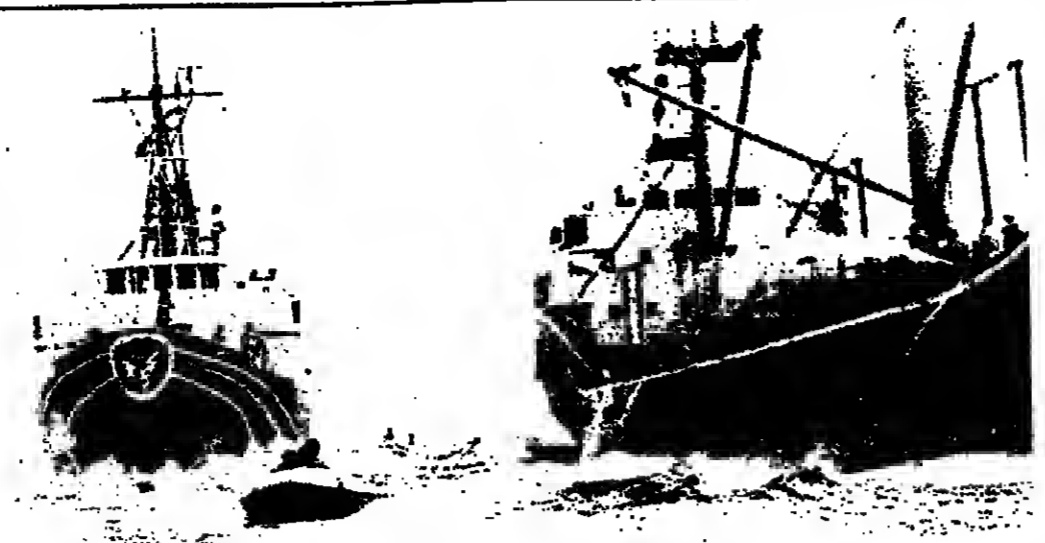
Dr. Maruyama developed the vaccine in the 1940s to fight tuberculosis and leprosy and in 1965 began dispensing it to cancer patients whom doctors described as incurable. More than 140,000 cancer patients have been treated so far, and relatives of 100 new patients come to his clinic every day. They pay 5,000 yen (about \$23), in the form of donations to the clinic, for a 40-day supply of the vaccine.

The drug's manufacturer has supplied vaccine to Dr. Maruyama's clinic in the hope that it will be certified as a usable medicine. If the drug council's opinion is upheld by two reviews later this summer, the vaccine cannot be marketed commercially in Japan and the manufacturer may cease making it.

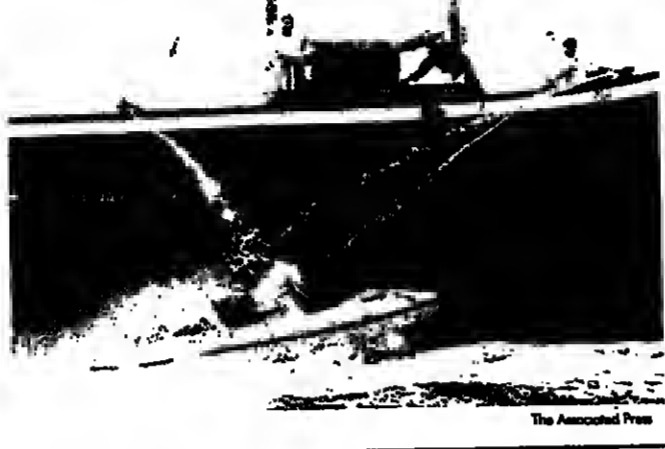
The council's opinion has become a significant political issue. A committee of Diet (parliament) members has urged that it be licensed for commercial sale, pointing to the thousands of patients who claimed relief after taking it.

Dr. Maruyama said that he believes his vaccine is being discriminated against by the ministry's drug-screening council. Two other anti-cancer drugs were certified usable after one- and two-year testing periods, while his own application was not ruled on for five years.

Dr. Maruyama also pointed out that the chairman and one member of the screening council are physicians who developed another popular anti-cancer drug already on the market. He said that if his drug is approved for commercial sale, it would be highly profitable, and the other two drug companies would be in for "a shock."



In an attempt to prevent the dumping of radioactive waste in the Atlantic, inflatable boats were launched from the *Sirtus*, left above, a ship owned by the Greenpeace ecology group, for an encounter with *MV Gem*. The *MV Gem* was chartered by the United Kingdom Atomic Energy Authority to sink the material about 800 miles off Land's End, England. At right, crewmen on the *Gem* used hoses to ward off one of the craft.



U.S. Aid Stance Viewed as Encouraging

By Axel Krause
International Herald Tribune

PARIS — The Reagan administration's commitment to improving relations with developing countries, made during the Ottawa summit meeting, is an encouraging step with implications for foreign aid, according to the top development-assistance official of the Organization for Economic Cooperation and Development.

"The U.S. accommodation on the question of global negotiations with developing countries represents significant encouraging change," John P. Lewis, outgoing chairman of the OECD's Development Assistance Committee (DAC), said in an interview Friday in Paris.

He emphasized that, while the communiqué issued by the leaders of the seven industrialized nations in Ottawa last Tuesday avoided specific commitments to developing nations, its "positive language" aroused particular hope regarding Washington's commitment to foreign aid.

U.S. 'Not Dropping Out'

"The summit encouraged my view that the U.S. is not dropping out of bilateral or multilateral aid," said Mr. Lewis, who has previously expressed concern over Washington's poor showing in aid disbursements among the 17 nations in the Development Assistance Committee.

Mr. Lewis, who has headed the committee since 1979, has held many development assistance posts in and out of the U.S. government. He plans to return to Princeton University in the autumn to resume teaching. His successor has not been named.

The committee's June 24 report on aid flows showed that last year the United States spent 0.27 percent of its gross national product, representing only a slight increase over the 1979 level of 0.20 percent that the Development Assistance Committee said was a record low.

The overall performance of committee members last year, "despite aggravated constraints on aid budgets, continued their slow uphill slog," Mr. Lewis said. He

noted that members' aid spending rose by \$4.3 billion to \$26.7 billion, representing 0.37 percent of their combined GNP.

Rough Going

Increasing future aid to developing countries "certainly is a rough, difficult business right now, but it is still heading upward relative to GNP and is by no means a lost or crumbling cause," Mr. Lewis said.

Commenting on recent reports that aid flows will be slowed by government pressures by domestic budgetary restraints, particularly in the United States, Mr. Lewis said that the overall Development Assistance Committee's total will continue rising whatever Washington decides.

"Despite the restraints, Germany is up sharply and hoping to edge higher, Japan is increasing; Italian aid is rising rapidly, and although the Dutch, Swedes, Norwegian and Danes already are leading the pack, they are all projecting increases, as is Canada," Mr. Lewis said.

The Socialist government in France "may give a very substantial push" to its development aid programs, he added.

Mr. Lewis said he also was encouraged by the commitment in the Ottawa communiqué to members participating "actively" in the United Nations Conference on the least developed countries that is to be held in Paris in September.

Poorest Nations

The meeting will focus on the development problems of about 30 of the United Nations' poorest members.

Based on reports from participants in the Ottawa meeting, the seven nations will approach the Paris conference in "a positive frame of mind," Mr. Lewis said. This, he said, reinforced his view that "the outlook for the developing nations was not as alarming as many people are saying."

Western diplomats have said that they expected that the conference would be politically stormy, with some of the poorest nations sharply criticizing Third World development efforts by industrialized nations.

Mr. Lewis said that "it is wrong to suggest that DAC donors have lately been veering away" from aid spending in the poorest nations. With a combined 12 percent of the developing countries' population in 1979, they received 22 percent of the aid, up from 15 percent at the beginning of the 1970s, he said.

Marcos Shuffles Cabinet, Aides

United Press International

MANILA — In a major government reorganization, President Ferdinand E. Marcos has dismissed three Cabinet ministers while appointing a new minister and a presidential assistant.

Retired were José J. Lázido Jr. of the Ministry of Natural Resources and Alfredo L. Juinto of the Public Works Ministry, whose office was merged with the Highways Ministry. Mr. Marcos picked Teodoro Pano, former chairman of the export processing zone authority, as natural resources minister and merged the Trade Ministry with the Industry and Investment Ministry, now headed by Roberto Ongpin Jr.

Trade Minister Luis Villafuerte was reassigned as presidential representative for negotiations with Cabinet rank. Alejandro Melchor, 51, was also named as a presidential assistant.

Zambia Fires Minister Over Torture Charges

Reuters

LUSAKA — Zambia's minister of Planning and Development, Joshua M. Lumina, has been dismissed following allegations that he tortured a village headman, a state house spokesman has announced.

The spokesman said Saturday that the allegations, which have been denied by Mr. Lumina, had been referred to the director of public prosecutions.

Gabriel Hauge, Banker, Eisenhower Aide, Dies

New York Times Service

NEW YORK — Gabriel Hauge, 67, retired chairman of Manufacturers Hanover Trust Co. and one-time special assistant for economic affairs to former President Dwight D. Eisenhower, died Friday of cancer.

Under Mr. Hauge (pronounced HOW-guy), Manufacturers Hanover's assets grew from \$7.7 billion in 1966 to \$55 billion by 1980.

audience "might have believed they were attending a spiritualist seance. Some women in the audience, admitting a feeling of 'spookiness' left the auditorium in flight."

"Airplanes flew from the stage and circled over the heads of the audience with so much realism that all present craned their necks in flight."



Gabriel Hauge in 1970 photo.

OBITUARIES

making it the fourth largest bank in the United States.

Before joining the bank in 1958, Mr. Hauge served on Mr. Eisenhower's staff for six years. Mr. Hauge also maintained close ties with Richard M. Nixon and Gerald R. Ford during their presidencies.

Mr. Hauge was instrumental in shaping and putting into effect post-World War II economic policies of the United States, both domestic and international. He was aligned with the liberal wing of the Republican Party and was an advocate of the free movement of goods and investment among nations.

Throughout his life, Mr. Hauge strongly opposed the imposition of economic controls. He also frequently urged monetary restraint by the Federal Reserve. In 1964, he warned that recessions could not be completely avoided and that government efforts to avert them could be counterproductive.

Mr. Hauge's political career began in 1951, when he became director of research for "Citizens for Eisenhower," before the former general had officially decided to run for president. In June, 1952, Mr. Hauge took a leave of absence from McGraw-Hill Publishing Co. to join Mr. Eisenhower's campaign staff.

Sergei Narovchatov

MOSCOW (Reuters) — Soviet writer Sergei Narovchatov, 61, has died after a long illness. Tass reported Friday. Mr. Narovchatov was editor of the literary monthly *Novy Mir* (New World).

William V. Davis Jr.

GROTON, Conn. (AP) — Retired Navy Vice Adm. William V. Davis Jr., 79, a pioneering naval aviator, died Saturday of cancer. He wooed the Dole air race from

Oakland, Calif., to Honolulu in August, 1927, and was a member of the Navy's first aerial stunt team, the Three Seahawks. After World War II, he became the Navy's director of test flights.

Athens Disputes Archaeologists On Condition of Knossos Palace

New York Times Service

ATHENS — The Greek government has denied reports that the palace of Knossos in Crete, the center of the ancient Minoan civilization, is in a state of decay and is threatened with collapse. It said there are restoration needs that would be adequately met, but that it did not share the deeper concerns voiced by some foreign and local archaeologists.

Andreas Andrianopoulos, minister of culture, said last week that the government was considering banning visitors to the palace until some basic restoration work was carried out. He gave no indication when the ban might take effect.

On Thursday, the Ministry of Culture acknowledged that the palace, in legend the home of King Minos and the site of the Minotaur's Labyrinth, would be requiring restoration in the years ahead. It said that there was no cause for excessive concern and added that a

team of experts had been assigned to supervise the project.

The British School of Archaeology at Athens has been excavating at Knossos since 1901. It issued an announcement deploring that an Oxford University archaeology professor, Sinclair Hood, the school's former director, had predicted that the palace would "literally collapse within the next five years." Prof. Hood had been quoted by an Athens daily.

An Athens University archaeology professor, John Sakelarakis, director of the Heraklion Museum in Crete, has said that the condition of the Knossos palace is "quite serious."

Knossos was largely destroyed before 1500 B.C., possibly by an earthquake, and was rebuilt. The palace was destroyed again about 1400 B.C., possibly by invaders from the mainland, and the Minoan culture faded from existence.

Breeder Reactor Kept Alive by U.S. House Vote

New York Times Service

WASHINGTON — The Clinch River breeder nuclear reactor was kept alive when the House, by 20 votes, provided another \$228 million to begin construction on the \$3.2-billion project.

Overriding opponents' charges that the reactor is already costing five times original estimates and will be obsolete when completed, the House Reorgan and voted down Friday an amendment cutting off funds to the Tennessee project.

The Clinch River reactor was the third controversial project to escape last week as the House also beat back attempts, encouraged by environmental and taxpayer organizations, to halt construction on the Tennessee-Tombigbee Waterway and to block funds for a coal liquefaction plant in Kentucky.

These three projects together will cost \$552 million in the coming fiscal year.

Congress first authorized the Clinch River project in 1970, when cost estimates were \$700 million. It was supposed to demonstrate the commercial feasibility of generating electricity with a nuclear breeder reactor that would yield more plutonium, a key ingredient in nuclear weapons, than it consumed in uranium fuel.

OAU's News Unit Seeks '82 Start

Reuters

DAKAR, Senegal — The Pan African News Agency will start operating next year, its controlling intergovernmental council has decided.

The measures decided by the council on Friday, including financial and personnel arrangements, will be submitted next January for the approval of Organization of African Unity information ministers.

The Dakar-based agency, set up by the OAU in April, 1979, has been held up by lack of funds, staff and communications, as well as by delays in ratification by member states. PANA's director-general, Ousmane Cheikh Diallo, said last Wednesday that the agency would send out 75,000 words a day, in English, French and Arabic.

Oil and Money Conference.

London, Sept. 28-29.

The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties" will take place September 28 and 29 in London.

Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, Saudi Arabia, will head a list of distinguished speakers from industry and government around the world. Among the subjects to be discussed will be the supply-demand outlook, financing oil production, the impact of politics on future oil flows, alternative energy resources and related issues.

For further information, please contact the International Herald Tribune, Conference Dept., 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747-12-65. Telex: 612332.



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A Fleeting Cease-Fire

The cease-fire in the Middle East is marvelous news — for a while. Attacks on towns in northern Israel by the Palestine Liberation Organization had forced large-scale evacuations — which is why, incidentally, so few people were killed. Israeli raids in southern Lebanon and in Beirut had taken great numbers of casualties. It was no surprise to find the PLO raining terror on civilians. This time, however, the Israelis, too, shed all pretense of avoiding civilians. That is all the more reason to thank Philip Habib, President Reagan's representative, for bringing the hostilities to a halt.

Just what he arranged is vague, partly by design. The Israelis, although they were bestowing de facto recognition on the PLO with their guns, wished to avoid according legal or political recognition by working out a cease-fire with the PLO even indirectly. So they gave their commitment to stop shooting to the United States. For similar reasons, the PLO rendered its commitment to the United Nations. Evidently, the Palestinians are not to fire at Israelis or at their Christian allies in southern Lebanon, and the Israelis are not to fire at Palestinians, Lebanese or Syrians anywhere in Lebanon. Perhaps there is more. It will work for a while — two days, three weeks, four months or whatever — and then it will break down.

It will break down for the reason that every effort to arrange an Arab-Israeli cease-fire during the last 33 years has broken down, and for the reason that even the one exception — the Egyptian-Israeli peace treaty — may also break down. The reason is that while Zionist nationalism, which is legitimate and irrefragable, has been fulfilled, Palestinian nationalism, which is also legitimate and irrefragable, has not. Following the Israeli example, the Palestinians will not accept a cease-fire except on a tactical basis unless some political route to nationhood is opened to them. Not without reason, they believe that by the action of the current Israeli government the political route is closed.

One is grateful for a break in the slaughter of innocents. All that this cease-fire can accomplish, however, is to provide a bit more time for opening up a political alternative to the PLO, the dominant Palestinian organization. We suggest that, to this end and in the absence of any new turn by the Israeli government, the United States consider addressing the PLO in order to persuade it to make a true peace with Israel. Everyone knows the PLO is ready for more war. The calm provides an interval in which to probe whether, as some elements in it claim, the PLO is also ready for an honorable settlement.

THE WASHINGTON POST.

Oh, Passing Happy Day

A woman of our acquaintance has always wanted to be Queen of England and thus, she claims, free of any domestic decision weightier than whether to wash her neck or her feet first. She likes the hours, she likes the pay, and whenever she reads that ribbon-cutting is boring, she reminds herself that she once met a group of women who made their living seeding pimientos. It was not much of a living, and the pimientos all looked alike.

Deprived of the pleasure of Queen Elizabeth's nuptials by the absence of satellite transmission in 1947, this woman is planning to be up very early on Wednesday morning. Imagining herself the star of the show at St. Paul's is the closest she'll ever get to monarchy — and, besides, she is lured by the possibility of perfection.

The possibility of perfection is, in the end, what a royal wedding is all about. It is inconceivable that the diamonds will be fake, that the trumpets will be out of tune, or that the horses will be spavined nags. The glass coach won't get a flat tire; sneezing will be suspended for the duration of the ceremony.

And that aspiring queen, what of her? She, believing she has witnessed the ideal beyond the actual, will not notice a few hours later that the person beside her on the bus is behaving peculiarly. Her nose, which is often tortured by 42d Street, will be stopped by the odor of sanctity. Her ears will be throbbing to Purcell.

Like millions of Britons, she will be temporarily oblivious to her daily round. But for her, in America, coming back to earth will be no more disconcerting than walking out of a cool movie into a hot street. For the British, it is bound to be a painful shock.

THE NEW YORK TIMES.

Dearth in the Afternoon

The Washington Star, so went the conventional praise, was the best afternoon daily in the United States. The praise was deserved, but also helps to account for The Star's impending death. Nearly all afternoon papers have bucked an ill wind that has blown journalism little good. Last year 17 afternoon papers ceased publication, victims of the evening television news, of changed reader habits and of declining advertising.

But knowing why doesn't diminish the loss. Until 1954 there were four newspapers in the capital; now there may be only The Washington Post. It is no criticism of The Post to state the obvious: Several stories every day will remain unreported when Washington becomes the biggest one-paper town in the United States. And the crackle of argument will be muted with the loss of an outstanding newspaper's editorials, columns and letters — a forum that is not duplicated on television.

In its halcyon days, The Star was to Washington what The Herald Tribune was to New

York: a model of crisp writing, graphic elegance and reasoned Republicanism. From its Berryman cartoons to the polished essays of Mary McGrory, it was a paper of style and substance. Until the 1960s its position seemed impregnable, an illusion that encouraged its former owners to keep dividends flowing even as it was overtaken by The Post.

The Star had already lost its luster when it was acquired in 1974 by a Texas financier, who resold it — minus profitable television and radio stations — to Time Inc. in 1978. Despite a heavy investment of money and talent, Time could not reverse the tide.

It now seems the rule that a good afternoon paper can survive only when its morning competition is clearly inferior. Some argue that the loss is offset by news weeklies, better broadcast news and quality suburban papers. But all of these together won't fill the void left by The Star. If the best of the old can't make it anymore, one can only hope for something startlingly new.

THE NEW YORK TIMES.

International Opinion

Sport, Crusaders, Tolerance

The cause of the blacks in South Africa will benefit little from the anti-Springbok demonstrations in New Zealand, whose campaign won an infamous victory last week. Apartheid involves much cruelty and injustice. But the true enemies of cruelty and injustice are kindness and tolerance, not hatred and fanaticism. Just as the Crusaders in the Middle Ages disgraced Christ's Cross by their indulgence in the sword, so do these New Zealand humanitarians disgrace their creed by indulgence in violence.

How can intolerance ever promote tolerance? When the antagonists of apartheid display the same vices as its champions, they blur the distinction between good and evil to the point where sensible people are provoked into saying, "A plague on both your houses."

Our hope is that the Springbok team will be able to carry on, since a final victory for

the demonstrators would be a victory for the very mindless fanaticism in which apartheid has its roots. The aim in South Africa must be peaceful change, achieved through agreement between the races. There is no other way forward which will not eventually lead backward. Scenes of riotous tumult, such as are disgracing New Zealand, cannot possibly promote this outcome.

— From the Sunday Telegraph (London).

Ever since they arrived, the tourists, under constant police guard, have been virtually prisoners in their hotel or at the training ground. What should be the experience of a lifetime is beginning to develop into a nightmare. In these circumstances, it would seem that the South Africans would be well advised not to tour abroad at the moment. They have made a great deal of progress toward multiracial rugby in the past decade, but there is still some way to go.

— From The Sunday Times (London).

In the International Edition

Seventy-Five Years Ago
July 27, 1906

Fifty Years Ago
July 27, 1931

NEW YORK — Editorial writers view the towing of the dry dock Dewey to the Philippines as a great achievement. The Philadelphia Public Ledger comments: "The net result is that the government has in the Philippines a dock capable of taking in the heaviest warship it has, and that the naval strength of the government in the East has been immeasurably augmented. The triumph of the navy was not alone in the conception of the idea, and the demonstration in advance that the idea was feasible, but in the manner in which it carried out the difficult and delicate matter of transportation. The officers who undertook the task have covered with glory themselves and the Department."

MOSCOW — Bernard Shaw, born in the land that produces the hard-driving Irish jockeys and during most of his life a resident of the country that produced the English thoroughbred, had to go all the way to red Russia to see his first horse race. Today he watched the Soviet ponies gambol around a Moscow racetrack and after the main race on the card — the Stalin Derby — he personally presented the winning jockey with the special Shaw Prize (which was not a copy of "The Intelligent Jockey's Guide to Socialism"). But he found the spectacle of no great moral or political truth. He wagged his beard and said: "It is disgusting!" It was the classical wisecracker's 75th birthday.

In the Vital Interest of Israel

By Anthony Lewis

BOSTON — During the two weeks of intense Israeli bombing in Lebanon, American officials expressed increasing concern about the effects on the U.S. position in the Middle East. But the diplomat's move, when it came, was really more in Israel's interest than in America's. It was an intervention to save Israel from the consequences of its own policy.

The bombing campaign was as clear an example of self-destructive tactics as we have seen in international politics lately. When Prime Minister Begin and the Cabinet finally agreed to the U.S. proposal for a cease-fire, one can only surmise that the political price they were paying had somehow been brought home to them.

Some of Israel's warmest supporters in the United States were sickened by the raid on Beirut, which took the lives of 300 people. A supporter asked angrily: "How many innocent people does Menachem Begin have to kill before the United States expresses its outrage?"

And it was not just the attack on Beirut. Day after day Israeli planes struck at highways and bridges in raids that caused mainly civilian casualties. John Kifer of The New York Times wrote from southern Lebanon last Wednesday that most of the victims were civilians "burned alive in their cars, trapped in clogged traffic."

Israelis have been the victims of terrible attacks by Palestinian terrorists: at the Munich Olympics, in the school at Maalot, in a bus on a coastal highway. The incidents remain in our memory — and how much more, rightly, in the memory

of Israelis. But the world will not be persuaded by that history, and should not be, that Israel is justified in indiscriminate military attacks.

The latest round of fighting, so far as we know, began with Israeli air attacks on July 10. The first Palestinian rockets followed, killing three Israelis, and then came the raid on Beirut. Altogether, over the two weeks, the death toll was approximately 450 Arabs, 6 Israelis.

Sovereign states in this world are not expected to act like terrorist groups. Responsibility is one of their claims to existence, and one of their burdens. The responsibility is the greater when a country is a dominant military power — as Israel is in the Middle East, able to attack more or less where and when it wishes.

Moreover, bombing has failed as a device to break the will of another people. The U.S. study of strategic bombing in World War II showed that, if anything, it intensified the German war effort and public support for it. The same failure was demonstrated in Vietnam.

The bombing in Lebanon had a particular ironic effect. Its designated targets were Palestinian guerrillas, but the bombing ended by leading legitimacy to the Palestinian cause. Begin could say, as he did, that he would not countenance even indirect negotiations with the PLO for a cease-fire. U.S. officials could forswear contact with the PLO, but there had to be a dialogue and there was — through the United Nations.

The result has been to dramatize the political presence of the PLO. The world sees it as a necessary party in the diplomacy of this episode — and, by inference, in others.

The bombing, finally, was a failure in a sense more profound than its immediate results. It was the logical end of a general Begin policy that refuses to accept Palestinians as human beings with a sense of national identity. Instead of dealing with that stubborn reality, Begin has handled the problem by force: by continued occupation of the West Bank, by suppression and expulsion of the area's political leaders, by the planting of settlements.

In the short run those tactics have worked. But they bring no real peace, no repose for Israel. They are a recipe for hatred. And bombing is the ultimate expression of that bankrupt policy.

In the end, only political solutions can give Israel the breathing space it needs and deserves. Only successful diplomacy can restore its internal peace and moral authority. Bomb Lebanon, occupy it, send armed force farther and farther: None of that can bring security for long.

If there is any hope amid the bloodshed of these last weeks — and I think there is — it is in the response of the Reagan administration. It did not threaten, it did not bluster. But it made its distress at Israeli policy plain, and it brought the reasons home to Begin through the effective diplomacy of Ambassador Philip Habib.

Most important, I believe that the president has understood the larger lesson of



"Who Ordered a Navigator?"

the affair. This is that only American leadership can rescue Israel from the dead end where a policy of force without diplomacy, without politics, has brought it.

Assuming optimistically that Habib can make significant progress on the Lebanese tangle, the challenge to Washington is to produce some progress on the West Bank. The available path is the suspended negotiation on the Camp David promise of "autonomy." Reagan should tell Begin, when he visits Washington in the fall, that his travesty version of autonomy — endless occupation, settlements, absorption — will not do in the interest of the United States or of Israel.

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Look at the New Emperor's Clothes: They're Normal

By Meg Greenfield

WASHINGTON — You get the idea, wandering around Washington, that people will forgive Ronald Reagan just about anything but his confounding of set political patterns and cycles. He is due for a "slump in the polls" shortly or a "series of setbacks," or maybe even a "plunge." Whichever it is, he'd better have it. Otherwise how is he going to be qualified for his "comeback" in January? What will there be to come back from? You can sense

people's discomfort with the idea that things aren't going quite according to schedule.



UPSTAIRS DOWNSTAIRS

This is dire business. It is also typical of Reagan's defiance of those rhythms and rituals by which Washington lives. I have in mind the great moving consensus that decides what are a leader's strengths and weaknesses and perils and prospects at any given moment, changing these on (roughly) a fiscal-quarterly basis and (most important) somehow psyching out a president or candidate in the process, so that he is sooner or later transformed into the cliché we have of him. He starts living it. Then we put on a new cliché.

Just about a year ago, at the end of the Republican Convention in Detroit, Reagan, who was too old and too right-wing and too intellectually limited to be nominated, was nominated. He launched an effort to unseat Jimmy Carter, that was doomed because, in addition to his aforementioned disabilities, he was also too bellicose and too self-evidently reckless and too uninformed on policy to make it, especially — poor devil — if Carter took out after him. After his election, Reagan was bound to be stymied when he discovered that it was impossible to cut sums like those he was talking about from the federal budget. Etc.

This is, to date, the most extraordinary thing about the Reagan presidency: The capacity of the man to change our fixed and usually oddly self-fulfilling analysis. Such analysis, trendy and influential at once, is in part a product of laziness, in part of group suggestibility and in part of the need for predictability, order and ostensible logic in political life. Something happens and we say, "Oh, well — it must be because of this —" or "It must mean that —" or "He's doing just what predecessor X did and we all remember"

— here a weary smile — "how that came out."

I am not talking about Reagan's being right; that central judgment really isn't what it's about. I'm not even talking necessarily about his being smart in the sense of politically cunning. Reagan does surely seem to be that, but I think there are some other qualities that enable him to successfully and consistently to fetch up someplace other than where the conventional wisdom thinks he is headed at the moment.

One is a capacity to speak in a normal, plausible voice. This gift, utterly rare in successful politicians at the top of their profession, can enable them to sound credible while saying the most incredible things. Reagan has it. Unlike 99 percent of his ambitious breed, he — and some of his top staff share this — does not exude anxiety or defensiveness or duplicity or ag-



gression while he is speaking the most simple platitudes. He sounds as if he means them. He will say, "I am not a politician," and that makes you believe they are authentic as an explanation of why he is doing something or of what he thinks will happen.

— here a weary smile — "how that came out."

Letters

What the Boat People Left

Harry W. Hayes' letter (HTT, July 20) cannot be criticized for the concern due the Vietnamese boat people, but why not get at the fundamental cause of their troubles? It is purely and simply the actions of the government of Vietnam. There would be no boat people otherwise for pirates to attack. This debt shift of responsibility to "Thai pirates" and away from the Soviet-supported Communist system in Vietnam falls on deaf ears in the East. I speak, too, as a combat veteran of five years in the U.S. Navy in World War II and as a resident of the East of over 50 years. Let Mr. Hayes rethink the causes of his concerns and he might find the responses he seeks.

HONG KONG.
R.U. FRONDORF.

On Nuclear Rhetoric

The statement by Eugene Rostow, director of the U.S. Arms Control and Disarmament Agency, that the U.S.-NATO decision to "modernize" its European nuclear force is not negotiable, exposes American rhetoric about a "linkage" relationship between nuclear arms expansion and "controls" for the contradictory elaptrap that it is. Armaments can be either expanded or limited — *tertium non datur*. The "controls" rhetoric is a euphemistic mask for the reality of controlled — that is, deliberate — nuclear arms proliferation, with all its uncontrolled and uncontrollable consequences.

LONDON.
PAT FLANAGAN.

In Defense of Ostpolitik

Herr Haegemann (HTT Letters, June 10) takes the easy way out. The Ostpolitik may be illusory to those who expected too much from it, and detente may

seem pro-Soviet to those who forget that the West, too, has benefited from it. It is not the West German Social Democratic Party, considered by the Communists a traitor to the Marxist cause, that furthers Moscow's propaganda, but rather he who credits the Kremlin with psychological success. Our only hope is that Brezhnev and Reagan (and Begin, for that matter) will realize that reliance on military, particularly nuclear, power will not do in the atomic age. The shocking thing is that well-meaning people still argue in terms of 19th-century power politics.

SIGEL, WEST GERMANY.
FRITZ G. RENKEN.

Genes and Expansionism

In his article on the revival of Cold War obsession (HTT, July 9), George Ball writes: "Reflecting the residue of genes, culture and politics left behind by the Moscovite invasions... the Soviet Union increasingly resembles earlier Muscovite empires — boorish in its habits and manners, expansionist in its hegemonic ambitions and repressive in its methods." Does Mr. Ball believe that genes are responsible for boorish manners or expansionism?

ROBERT DUJARRIC.

Integration in Britain

Anthony Lewis' column "Political Failures in Britain" (HTT, July 20) on the wave of riots and racial problems should be required reading in the United Kingdom. The New Social Democrat-Liberal political alliance should be sensitive to the need for bringing blacks and Asians into the political process and should show its genuine concern for the minorities in a meaningful way by nominating one or more blacks and Asians as candidates for Parliament.

PARIS.
ALFRED E. DAVIDSON.

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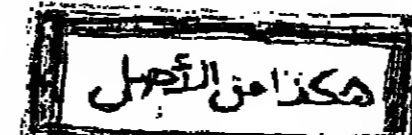
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1981



U.S. Data Heartens Crystal Ball Gazers

By Carl Gwartz
International Herald Tribune
PARIS — Bankers and bond dealers were gleefully reexamining their crystal balls by the end of last week — at last the omens looked favorable.

EUROBONDS

This is good news for bond markets — the drop in growth and the inflation rate brings nearer the day the administration can take its foot off the brakes and ease up on its high interest rate policy.

seven-year paper bearing an indicated coupon of 16 percent. Lead manager Credit Suisse First Boston has left open the price, which will be set in light of market conditions on Aug. 4.

The second issue — a \$30-million, five-year offering for Public Service of New Hampshire — is causing a minor uproar. The indicated coupon is 17 percent — the highest ever offered on a new issue in this market.

The indicated coupon is no giveaway. As lead manager Blyth Eastman Paine Webber notes, it reflects the credit standing of the issuer. But other U.S. investment bankers — who admittedly are never very charitable in their comments about their competitors' business — challenge Blyth's assessment that this paper could or should be marketed in this market, which is much less sophisticated than New York.

Public Service of New Hampshire's biggest problem is its Seaboard nuclear power plant, one of the most bitterly contested nuclear installations in the nation. Civic opposition resulted in construction delays and cost overruns.



Traders shout bids in the grain and soybean pits at the Chicago Board of Trade. Futures markets in the United States are expected to benefit from the influx of investment by Japanese.

Japanese Investors Take Aim at U.S.

By Steve Lohr
New York Times Service
NEW YORK — Once again, the Japanese are coming, and on Wall Street, it is already being called "the friendly invasion."

This time, instead of invading U.S. markets with their Toyotas, Sonys and Panasonics, the Japanese are bringing their money. In increasing numbers, they are coming to buy stocks on Wall Street and to wheel and deal in U.S. commodities pits.

For decades Japanese authorities, concerned to shelter its economy, severely restricted the ability of Japanese to take yen out of the country. Last December, however, those foreign exchange controls were substantially relaxed, and more Japanese funds are already flowing into U.S. stock and commodity markets.

Despite Ford's Firm Rebuff, Chrysler Still Longs for a Marriage

By Peter Behr
Washington Post Service
WASHINGTON — Chrysler Corp. still sees a Ford in its future.

Despite a quick rejection of its merger offer to Ford Motor Co. last April, Chrysler apparently cannot get the idea of a combined Ford-Chrysler out of its mind, according to industry sources.

Chrysler Chairman Lee A. Iacocca says the proposal has been shot dead by Ford. At a National Press Club speech Wednesday, Mr. Iacocca was asked about the potential of a Ford-Chrysler combination.

hope, not only for Chrysler but also for its larger rival, Ford.

The white paper, prepared by Chrysler and investment advisers from Salomon Brothers and Booz-Allen, remains confidential, and Chrysler will not release it, but details from the proposal have become available.

The plan is based on merging the companies' strengths, as Chrysler sees them. Chrysler's front-wheel-drive K-cars would become the only compact and mid-sized models offered by the new company, and Ford would have to discontinue its Mustang and Fairmont models and the Mercury Zephyr and Capri.

man Philip A. Caldwell said Ford's directors "unanimously determined that a merger or other similar arrangement with Chrysler should be rejected as clearly not being in the best interest of Ford or its stockholders."

The animosity between Mr. Iacocca and Henry Ford II — who fired Mr. Iacocca as Ford's president — is enough to rule out a merger for the foreseeable future, auto industry officials say.

Ford believes back-to-back boom years in car sales are coming soon. "We must be ready for that turnaround, and ensure that we're prepared to capitalize on it," Mr. Caldwell said in a recent interview with Ward's Auto World magazine.

Some Bankers See Upturn in Lending Fees

By Carl Gwartz
International Herald Tribune
PARIS — While many bankers remain skeptical about any significant imminent rise in lending charges on syndicated Euroloans, others maintain that a gradual upturn has been under way for some while and will continue.

The latest loans for France, which has consistently fought for the toughest terms, are used as examples.

The newest of these is a \$200-million, 10-year standby for Gaz de France, which is offering to pay 0.45 percentage point over the London interbank rate for the first four years, 0.35 point over for the following four years and 0.25 point over for the final two years.

These low margins are on a par with what France has paid on earlier loans, but the not insignificant difference is that the order is reversed, with the higher margin coming first and the lowest portion at the end.

row is the just completed dollar-ECU loan for Credit National, which was a smashing success with 60 percent of the loan taken off the managers' hands through syndication. This loan will be drawn down.

The margin on the eight-year, \$200-million portion is a split 1/4-1/4 point over Libor — not quite as thin as the margins on credits set up as standby lines. And the return on the ECU portion is an effective half percent.

But the clearest example of how margins have been rising is the wide substitution of the prime rate of U.S. banks for Libor as the base rate for syndicated loans. Invariably, the margin over the prime rate base is lower than the margin over the Libor base. But that is pure cosmetics.

He maintains that there is an inverse relationship between the size of the margin and the level of interest rates. "Bank shareholders expect a 15 percent return on equity and with interest rates pushing 20 percent, this shouldn't be difficult. When rates are at 5 percent, bankers have to hustle to earn a fat return."

"That obviously is not the only factor," he admits. "The liquidity of the market and the degree of competition between banks" also affects the size of margins, "but the inverse correlation is the single most important factor," he insists.

At present, little new business is being marketed. Enel, the Italian electricity agency, will tap the market for \$500 million, with the entire transaction priced over either the U.S. prime rate of Citibank or the Canadian prime rate of Bank of Montreal. There will be no Libor-based option in this transaction, bankers report.

Nigeria is in the market for \$180 million for eight years, offering to pay 1/4 point above Libor.

The Korea Exchange Bank has set a record with the largest single loan for an Asian borrower. Marketed initially for \$500 million, the eight-year loan was increased to \$700 million. Interest is set at 1/4 point over Libor with a commitment fee of 1/4 percent and a management fee of 1/4 percent lifting the return to lenders.

Hyundai Construction of South Korea has mandated Gulf International Bank of Bahrain to arrange an \$80-million credit. The 2 1/2-year facility includes \$20 million for one year at 1 point over Libor for the first year and 1 1/4 point over thereafter and \$60 million of letters of credit at 1/4 point over Libor.

Venezuela's industrial development credit agency, CVF, is raising \$85 million through a one year credit led by Shearson Loeb Rhoades.

Mitchell Energy & Development Corp. is raising \$75 million through Swiss Bank Corp. Interest on the five-year credit starts at 1/2 point over Libor and then rises to 3/4 point over. Another U.S. firm, Fordland General Electric is seeking \$25 million through a consortium of Arab banks, offering to pay 1/4 point over Libor for two years.

SYNDICATED LOANS

But the clearest example of how margins have been rising is the wide substitution of the prime rate of U.S. banks for Libor as the base rate for syndicated loans. Invariably, the margin over the prime rate base is lower than the margin over the Libor base. But that is pure cosmetics.

CURRENCY RATES

Interbank exchange rates for July 24 1981, excluding bank service charges.

City	Rate	City	Rate	City	Rate
Amsterdam	2.1785	Geneva	1.1121	London	1.0000
Berlin	2.3640	Hong Kong	7.7560	Lyons	66.3375
Bombay	25.2500	London	1.0000	Madrid	166.6667
Buenos Aires	1.3750	Manila	49.6667	Mexico	16.6667
Calcutta	25.2500	Paris	6.5596	Nairobi	100.0000
Canton	2.0625	Rome	1.3653	Rangoon	125.0000
Chongking	2.0625	Singapore	1.2344	Reykjavik	100.0000
Cebu	49.6667	Stockholm	4.6667	Sao Paulo	200.0000
Dacca	25.2500	Switzerland	1.4833	Seoul	180.0000
Damascus	166.6667	Taipei	20.0000	Tokyo	360.0000
Dhaka	25.2500	Tel Aviv	18.0000	Yokohama	360.0000
Hankow	2.0625	Yokohama	360.0000		
Hong Kong	7.7560				
Kobe	360.0000				
London	1.0000				
Lyons	66.3375				
Madrid	166.6667				
Manila	49.6667				
Mexico	16.6667				
Nairobi	100.0000				
Rangoon	125.0000				
Reykjavik	100.0000				
Sao Paulo	200.0000				
Seoul	180.0000				
Tokyo	360.0000				
Yokohama	360.0000				

Willot Brother Cited In Financial Case

PARIS — Jean-François Willot, one of four brothers who own the Christian Dior fashion empire, was arrested Friday and charged with misuse of the assets of Dior and the Paris department store La Bell Jardiniere.

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Banque de Paris et des Pays-Bas	Banque de Paris et des Pays-Bas	Banque de l'Union Européenne	Bayerische Vereinsbank International S.A.
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International Bond Prices - Week of July 23

Provided by White Weld Securities, London, a Division of Financiere Credit Suisse - First Boston.

RECENT ISSUES

Table of recent bond issues with columns for Country, Issue, Maturity, Yield, and Price.

STRAIGHT BONDS

Table of straight bonds with columns for Country, Issue, Maturity, Yield, and Price.

Table of highest yields to average life below 5 years.

Table of highest yields to average life above 5 years.

Table of highest current yields.

Table of security bonds with columns for Country, Issue, Maturity, Yield, and Price.

Table of DM straight bonds with columns for Country, Issue, Maturity, Yield, and Price.

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Table of DM straight bonds with columns for Country, Issue, Maturity, Yield, and Price.

(Continued on Page 10)

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International Bond Prices - Week of July 23

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of international bond prices with columns for Amst Security, Yield, and various bond details. Includes sub-sections for EUROPEAN GOVERNMENT BONDS and CONVERTIBLE BONDS.

Table of Amst Security and Middle Price with columns for Amst Security, Middle Price, Conv. Pr, and Conv. Prem.

HIGHEST CURRENT YIELDS On convertibles having a conversion premium of less than 10%. List of convertible bonds with their respective yields and conversion terms.

Mutual Funds table with columns for Bid Ask, Class, and various fund names and their performance metrics.

American Exchange Options

Table of American Exchange Options with columns for Option's price, Class, and various option details.

Chicago Exchange Options

Table of Chicago Exchange Options with columns for Option's price, Class, and various option details.

Table of convertible bonds with columns for Amst Security, Middle Price, Conv. Pr, and Conv. Prem.

Explanation of Symbols - CML Canadian Dollar, ECU European Currency Unit, SFR Swiss Franc, LFR Luxembourg Franc, PFR Swiss Franc, NMF New Mexican Dollar

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Vertical text on the far left edge, possibly a page number or date.

Table with multiple columns and rows, likely a financial or market data table.

Over-the-Counter

Table titled 'Over-the-Counter' with columns for 'Symbol', 'High', 'Low', 'Last', 'Change', and 'Bid'.

Special Homecoming For Jets' Rasmussen

By Gerald Eskenazi
New York Times Service
HEMPSTEAD, N.Y. — Randy Rasmussen's freckled face was twisted into a grimace...

NCAA Standout Hurt in Accident

Indianaapolis — London Turner, a starter on Indiana University's NCAA championship basketball team...

Soviet Union Purchases U.S. Grain

WASHINGTON — For the first time since President Reagan lifted the embargo three months ago, the Soviet Union has entered the grain market...

Large advertisement for ARTOC BANK AND TRUST LIMITED, featuring a logo and text about floating rate loans and international services.

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Baseball Lawyer Suggests Owners Could Lose Players

By Murray Chass
New York Times Service

NEW YORK — Richard Moss, lawyer who successfully argued two most noted baseball contract disputes in recent years, has suggested that the 26 major league owners could lose all of their players through a legal technicality and a new baseball enterprise.

Moss, former general counsel of the Players Association, maintained that all individual player contracts could be voidable because the owners canceled the season when the strike began June 12, 1974. He said that the owners' labor agreement, which was the basis for the players' contracts, was canceled when the strike began June 12, 1974. He said that the owners' labor agreement, which was the basis for the players' contracts, was canceled when the strike began June 12, 1974.

If the whole thing blows, it becomes very serious. Moss and Fehr were not talking about having the players freed of their contracts and freed to move to other teams within the existing major leagues. They were talking about the possibility of finding interested owners who would create another baseball organization outside the established one known as Organized Baseball.

"We know there are a number of people interested in starting a new baseball enterprise," Moss said, without being specific.

MacPhail Skeptical
Lee MacPhail, president of the American League, said he did not see any merit in the contention that players could walk away from their contracts.

"It would seem to me they would still be under the reserve system," he said. "There are only certain ways a player can leave his team, either by being released, or by a default notice, or if he goes through the re-entry draft. I really haven't tried to examine it, though. I'll talk to the lawyers about it, but on the surface I can't see any merit to it."

Telephone efforts to reach lawyers for the clubs, in an attempt to get them to explain the reason they notified the players they were canceling the season, were not successful.

Fehr, the players' lawyer, suggested that as the strike grows longer and the animosity grows deeper, the possibility of the players' wanting to walk away from their contracts becomes more likely.

"If these people think they're going to wind up with a season-long strike and take the position the players can't do anything, they're crazy," Fehr said. "If they insist on union-busting, very few players are going to be interested in playing for them. They're going to look for other places. If there is not a settlement before this season ends, or in time to make a season viable, you have to draw the conclusion that major league players are not interested in playing for these people under conditions they insist on and will look for other alternatives."

Where to Play?
How viable the alternatives may be would have to be seen. New owners may not be hard to find. For example, Edward DeBartolo Sr. and Marvin Davis are among wealthy people who have tried to buy major league teams in recent years.

Playing sites could be another matter. Some stadiums are privately owned by the major league teams that play in them and would not be available to teams in a new league. Other stadiums are municipally owned. Teams have leases for those stadiums and some teams have veto rights over who uses the stadiums during the baseball season.

But Moss questioned whether major league teams could prevent other teams from playing in those stadiums, veto rights or not, while those stadiums were empty. "That would raise the anti-trust issue and kill it forever," he said.

Then there is the matter of litigation. The major league teams obviously would fight the players' attempts to abandon their contracts and the matter could become expensive and prolonged.

"If you get financial people who are interested in owning teams," Fehr said, "they would have a vested interest in it. They're going to fight the legal battles with you. Sure, the present owners will take the position, if they fight it, that you can't play baseball for anyone else until you have six years of major league service or are released. But that's ridiculous."

Kenneth E. Moffett, the federal mediator, said he probably would not try to schedule another bargaining session in the strike until after the association's executive board met in Chicago on Monday.

Swing to the Players
In past labor-management disputes, 95 percent of the press sided with management. In this quarrel, at least 70 percent of the press, perhaps a good deal more, has been pro-players and anti-management. Why? Because of the transparent union-baiting tactics of the owners' representatives, their intransigence, their undisguised determination to score a victory at whatever cost.

Chances are the press view the public view, and the fans have swung over to the players' side.

The owners keep insisting that the last thing in the world they want is to bust the union. Without the players' association, they say, baseball would be overrun by agents trying to use the game for their own selfish purposes, and all would be chaos.

This may be true, but the owners' conduct leaves no room for doubt that they are determined to emasculate the union, to weaken it and recapture some of the power they wielded when, as feudal lords, they owned their employees outright.

To achieve this, they seem willing to take the monumental losses of a season without income and risk defacing their product in the public view. "Another such victory over the Romans," King Pyrrhus said after a costly battle, "and we are undone."

Members of the Dutch tug-of-war team beating the Welsh at World Games I



Members of the Dutch tug-of-war team beating the Welsh at World Games I

Tugs and Tricks at World Games I

United Press International

SANTA CLARA, Calif. — It seemed only fitting that the first gold medal in World Games I should go to England, a pioneer of the modern day Olympic movement.

England's 640-kilogram (1,410-pound) tug-of-war team helped launch the World Games Friday night with a dramatic 2-0 victory over Switzerland to win the gold medal by a single point, 15-14. On Saturday, Switzerland ran off six straight victories without losing a point to win the gold medal in light heavyweight tug of war. The United States was the last of 7 in both tug-of-war events.

Ana Maria Carrasco of Venezuela, meanwhile, shattered her own world record in water skiing tricks by 100 points and led four qualifiers into the semifinals.

Tug of war, a relatively minor sport in the United States, began in the 18th century with both England and China taking credit for establishing it as a competition. In England it was launched as a sport between groups of men and townships, and in China it was used to train slaves to haul

guns and ammunition up the mountains of Northwest India.

The United States fielded a team in the World Games but the Americans were no match for their European counterparts, who dominated the competition. There are more than 20,000 clubs in Europe while there are no more than a few dozen in the United States.

There are 16 sports in all in the World Games, which drew a surprisingly large crowd of more than 8,000 for Friday night's opening program. The competition runs through Aug. 2. The sponsoring federations hope to put on the Games every other year as a complement to the Olympic movement but not as a competing event since none of the Games sports is on the Olympic calendar.

Unlike the Olympics, the opening ceremonies were completely devoid of politics as some 700 athletes of the 1,400 scheduled from 58 countries to compete in the Games marched into Buck Shaw Stadium under their respective sport banners. There were no flags, except for the host country's standard and the World Games banner.

Nehemiah Hurdles Past Foster

From Agency Dispatches

SYRACUSE, N.Y. — Renaldo Nehemiah, asserting his position as the world's top hurdler, streaked to a wind-aided 13.00 victory in the 110-meter hurdles Sunday over Greg Foster, his main rival, at the National Sports Festival.

The time, which was aided by a 3.41-meters-per-second wind — an allowable limit is 2.0 — equaled his world record for the event, which was set two years ago.

Foster, who won the National Championship in the event with a 13.10 time in June, was second in 13.22.

Nehemiah burst to the front immediately after the gun and Foster never was able to catch up, hitting the last three hurdles en route to his second-place finish.

Like other sports in the festival, the track and field competition was divided geographically. Two athletes in each event represented each of the four regions — East, South, Midwest and West.

Banks Withdraws
Willie Banks, the favorite in the triple jump competition, pulled out because of an ankle injury suffered at the World University Games in Romania last week.

Banks' withdrawal left Greg Caldwell — who has leaped 55-10 1/2 this year — as the favorite in the event.

Jackie Joyner of the Midwest also scratched from the heptathlon after pulling a muscle in the hurdles event.

In basketball, Jim Master stole what seemed to be a dramatic victory from the East with a 12-foot shot that gave the South a 94-93 victory.

Master's shot came with two seconds in the game and followed a basket by Pat Ewing that gave the East its only lead of the game with 11 seconds on the clock. Ewing was fouled on his shot, but missed the free throw to set up Master's game-winning basket.

In ice hockey, Bruce Aikens and Bill Rothstein each scored two goals as Central defeated New England, 8-5, despite two goals by Bob Carpenter. Central leads the ice hockey competition with a 2-0 record. New England is 0-2.

Pete Pfiztinger won the marathon in 2 hours, 15 minutes, 20 seconds, becoming the third person in three Festivals to win the marathon without being affiliated with any of the four regional teams. Laura DeWaller of the East was the women's winner, finishing 14th overall with an unimpressive clocking of 2:47:06.

turn bome to continue her training for the World Cup in Rome in September.

"I'm in a different place," she said, discussing the differences between her status now and several years ago when she became the first American sprinter in almost a decade to defeat East German rivals. "In 1979, I was trying to see where I could go. I didn't know who I was or how fast I could run. It was more of an advantage in one sense. But now it's different. I really want to run fast times. I'm a different person. I'm more confident, and I'm training more like a sprinter than I ever have. Before, I was building up strength. Now, I'm more into short, quick workouts."

Canadians Protest Basketball Triumph By Russians at World Student Games

From Agency Dispatches

BUCHAREST — The Soviet Union advanced to the finals of the men's basketball tournament at the World University Games Sunday with a 77-73 victory over Canada in a rowdy game played under protest by the Canadians.

The 4-point victory assured the Russians of a spot in the finals and set up a rematch of Saturday's double overtime loss to the United States.

On Saturday, the No. 1 American female sprinter, Evelyn Ashford, ran a wind-aided 11.01 in winning on a newly-surfaced synthetic track that felt more like a soft cushion than a running surface.

"I couldn't get any force," she said, a sentiment shared by James Sanford, who won the men's 100 meters. "I felt like I was standing still."

Sanford ran a wind-aided 10.03 in overtaking Ron Brown (10.18) and Harvey Glance (10.20). "I eased up in the last 10 or 12 meters," said Sanford, a University of Southern California junior, who returned from Europe to compete at the festival. "I felt like I was fighting the track."

The most competitive race of the day was the men's 1,500-meter run, with Tom Byers holding off Sydney Marce and Ross Donoghue on the last lap. But Byers' winning time, 3 minutes 44.84 seconds, was relatively slow, an indication that Marce, who was second in 3:45.09, has yet to begin a serious speed work for major mile and 1,500-meter races later this summer.

Ashford, who lives in Los Angeles, ran for the West, Nursing a cold that she caught in Colorado, she said she would scratch from remaining sprint events here and return home to continue her training for the World Cup in Rome in September.

"I'm in a different place," she said, discussing the differences between her status now and several years ago when she became the first American sprinter in almost a decade to defeat East German rivals. "In 1979, I was trying to see where I could go. I didn't know who I was or how fast I could run. It was more of an advantage in one sense. But now it's different. I really want to run fast times. I'm a different person. I'm more confident, and I'm training more like a sprinter than I ever have. Before, I was building up strength. Now, I'm more into short, quick workouts."

Donahue, a former New Yorker who coached Kareem Abdul-Jabbar in high school, said he threatened to pull his team off the court after the incident.

"We told them we were not going to play the second half until we got things straight," he said. "Either they were wrong today or I was wrong the past two days and should have played those games under protest."

The U.S. coach, Tom Davis of Boston College, said the American victory was easier than expected. "At this point of the tournament the time factor begins to wear on a lot of teams, and I'm sure Mexico playing late last night and so soon this afternoon didn't help them," he said.

Yugoslavia advanced with a 83-76 victory over Cuba and will join the United States and the Soviet Union in the four-way medal playoffs. Brazil was to play Romania to determine the fourth finalist.

NFL Raiders Get Favorable Break In Court Battle

United Press International

LOS ANGELES — The Oakland Raiders, Super Bowl winners last January, have been awarded a stunning decision in their antitrust suit against the National Football League with a judge's ruling that the jurors must consider the league as a group of 28 separate competitors, not a single organization.

The ruling by U.S. District Judge Harry Pregerson was seen as a turning point in the marathon trial.

The chief owner of the Raiders, Al Davis, wants to move the team to the Los Angeles Coliseum, vacated two years ago by the Los Angeles Rams. The NFL blocked the move, citing a league rule that prohibits franchise shifts without approval from three-quarters of the team owners.

Davis then sued the NFL, claiming that the rule was a violation of federal antitrust laws. The Raiders case was based almost entirely on convincing the judge and the jury that the NFL was composed of 28 separate teams and was not a single organization with 28 partners.

"I feel better than I have in months," the Raiders' attorney, Joseph Alioto, said after the ruling late Friday. "This is a shocking and stunning victory for us."

"For a year we've been telling the judge that this partnership business the NFL is claiming is just a hoax. Finally, he believed us. We don't think Al Davis and Gene Klein, former of the San Diego Chargers, are partners. We think they are competitors."

"This ruling clears the way for the jurors to examine the sole issue in this case — antitrust. There's no question it's the biggest turn in the trial and it went in our favor."

No NFL officials or attorneys were immediately available for comment.

Testimony in the case concluded last Thursday. Summaries were to take place Monday and Tuesday, and the case was expected to go to the jury on Wednesday.

The 10 jurors in the antitrust trial will thus have to include in their deliberations the question of whether the league acted as a partnership — one of the NFL's frequently stated contentions — when it blocked the Raiders' proposed move to Los Angeles.

Beats Sign Payton
CHICAGO (UPI) — Walter Payton, the Chicago Bears' all-time leading rusher, has signed



Al Davis

three one-year contracts, the club announced without disclosing the salary.

"The Bears were very generous," said Payton's attorney, Bud Holmes. "He's very happy with it." Holmes would not release details of the contract, but said: "Walter is making less than what O.J. [Simpson] made, but enough to ensure he remains the highest paid player in the league."

Payton, who celebrated his 27th birthday Saturday, earned \$430,000 in 1978, \$450,000 in 1979 and \$475,000 in 1980. He has led the National Football Conference in rushing the past five seasons.

CFL Standings

Eastern Division

Team	W	L	PCT	PP	PA
Houston	2	1	.250	147	27
Memphis	1	2	.333	43	102
Ottawa	1	2	.250	81	156
Toronto	1	2	.250	102	138

Western Division

Team	W	L	PCT	PP	PA
Birmingham	3	0	1.000	111	54
Edmonton	2	1	.667	105	67
Winnipeg	2	1	.667	51	71
Calgary	2	1	.667	61	52
Saskatchewan	2	2	.333	55	45

Calgary 25, Saskatchewan 13, Edmonton 13, Winnipeg 13, Houston 13, Toronto 13, Memphis 13, Ottawa 13

Hamilton 13, Toronto 13, British Columbia 13, Ottawa 13

Red Smith A Growing Feeling That Baseball Is Dead

New York Times Service

NEW YORK — Jacques Barzun wrote — and if he isn't sick of repeating it, he has a strong stomach for it — that whoever is to know the heart of the mind of America must first learn baseball.

Thomas Wolfe celebrated the "vast and unalterable geometry of the playing field," and Bill Buckner, the most inventive sports broadcaster since Babe Ruth, once said, "Baseball, solemnly assured us when President Lincoln lay in state, was the man he called to his side was not Andrew Johnson, vice president, or Gen. Ulysses Grant, who had just accepted a surrender at Appomattox in House, but Gen. Abner Doubleday, don't let that die," the president whistled, and breathed his last.

No Reason for Optimism
The summer game has always been a formidable body of support. Yet, in spite of them, the feeling grows that baseball 1981 is a representative of the play. On the 26 teams were to meet today to decide what they could do about salvaging the last two

months of the season, but there was no visible reason for optimism.

To bring the strike to an end and get back on the field for August and September, the players would have to give up a significant part of the freedom they and their predecessors fought for through most of a century.

For the employers to achieve peace on their own initiative, they would have to concede defeat in a calculated and costly campaign to clamp a lid on the free-agent market.

Most Beautiful Game
Though this situation, like an Amtrak timetable, is subject to change without notice, it does not now appear that either side is ready to give in. The chances are that for anyone who wants to know the heart and mind of America, the textbook will remain closed for the rest of this year.

It goes without saying that baseball will be back eventually. It is the most beautiful of games, with deeper roots in America than any other sport can show. Like the Winged Victory, it can be mutilated but it will survive.

The question is, if baseball is resumed next April, how mutilated will it be? Its hold on public interest almost surely has been loosened already. Will public disenchantment be reflected at the box office and among television sponsors in the immediate future?

Have the club owners, by provoking and prolonging a costly strike, seriously damaged their own product? They are capable of it.

A poll shows that almost half the population doesn't miss baseball. That shouldn't surprise anyone. Nowhere near half the population ever buys a ticket.

Transactions

FOOTBALL
LANTA—Waded James Zick, linebacker; John Williams, defensive end; FIVER—Signed James Carter, offensive tackle.

ANNOUNCED the retirement of Brian Johnson, defensive end; Steve Folan, defensive end; Walter Williams, defensive center; and Tom Schramm, defensive back; Scott Kasper, defensive back and center; offensive tackle on injured reserve.

ISTON—Waded Cammy Haynes, offensive tackle; Dave Lantz, center; Paul Miller, defensive end; George Woodard, fullback; Brian Rogers, offensive tackle.

SEAS CITY—Waded Ronnie Palmer, defensive back; Steve Hester, defensive back; and Ken Harbuck, tackle.

ENGLAND—Waded Chuck Foreman, defensive back and Charles Caskey, offensive tackle.

ORLEANS—Released Lester Boyd, center; Henry Williams and Larry Johnson, defensive back; Phillip Stinson and Ed Campbell, defensive back; Dennis MacCallis, defensive back; Mike Reicher, defensive back; Randy Hertz and Casey Miller, defensive back; and James Burch and Grant Williams, defensive back.

YORK GIANTS—Jim Cook, center; Waded Craig Jones, offensive tackle; Joe Stovall, defensive back; and Chuck Cook, defensive back; Joe Stovall, offensive tackle; Propaganda and Keith Bethke, wide receiver; and Mike Hester, defensive back; and Steve Hester, defensive back.

More Sports On Page 11



BANTAMWEIGHT CHAMPION — Jeff Chandler of Philadelphia delivered a hard right to the chin of Julian Solis in his defense of the World Boxing Association bantamweight title Saturday in Atlantic City, N.J. Chandler, who beat Solis for the title in November, this time knocked out the Puerto Rican with 2 seconds left in the 7th round of a scheduled 15-rounder.

International Bond Prices - Week of July 23

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

RECENT ISSUES

Table of recent bond issues with columns for Amt, Security, % Yield, and other details.

Table of bond issues with columns for Amt, Security, % Yield, and other details.

Table of bond issues with columns for Amt, Security, % Yield, and other details.

STRAIGHT BONDS All Currencies Except DM

Table of straight bonds in various currencies with columns for Amt, Security, % Yield, and other details.

Table of straight bonds in various currencies with columns for Amt, Security, % Yield, and other details.

Table of straight bonds in various currencies with columns for Amt, Security, % Yield, and other details.

Table of bond prices with columns for Amt, Security, % Yield, and other details.

Table titled 'HIGHEST YIELDS TO Average Life Below 5 Years'.

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Table titled 'HIGHEST CURRENT YIELDS'.

Table of bond prices with columns for Amt, Security, % Yield, and other details.

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This announcement appears as a matter of record only July 1981

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DM STRAIGHT BONDS

Table of DM straight bonds with columns for Amt, Security, % Yield, and other details.

(Continued on Page 10)

WestLB advertisement for Eurobonds, DM Bonds, and Schuldscheine, including contact information for Dusseldorf, London, Luxembourg, and Hong Kong.